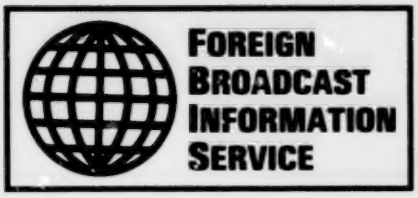


# Daily Report

# Latin America

FBIS-LAT-92-025
Thursday
6 February 1992

# Daily Report
## Latin America

*FBIS-LAT-92-025* *6 February 1992*

CONTENTS

**NOTICE TO READERS:** An • indicates material not disseminated in electronic form.

**CARIBBEAN**

**Cuba**

Tarara Murder Trial Enters Sentencing Phase *[Havana Radio]* ..... 1
Death Sentences Issued *[Havana Radio]* ..... 1
Castro Comments on Country's Refrigeration Plants *[Havana TV]* ..... 2
Castro Visits French Ambassador's Residence *[Havana Radio]* ..... 2
Citizens Take Refuge in Italian Ambassador's Home *[Madrid EFE]* ..... 2
Fernandez, Delegation End 3-Day Visit to Iran *[Havana Radio]* ..... 3
Causes of Coup Attempt in Venezuela Viewed *[Havana Radio]* ..... 3
Holguin Official on Fighting Economic Crimes *[Havana Radio]* ..... 4

**Inter-Caribbean Affairs**

Caricom Condemns Venezuelan Coup Attempt *[CANA]* ..... 4

**Antigua and Barbuda**

Government Condemns Venezuelan Coup Attempt *[CANA]* ..... 4

**Dominican Republic**

Balaguer Sends Message of Support to Perez *[Santo Domingo Radio]* ..... 4

**Haiti**

U.S. Ambassador's Role, Recall Assessed *[Port-au-Prince Radio]* ..... 5
Rights Group Reports Violations by Military *[Port-au-Prince Radio]* ..... 5
Carmen Christophe Opposes New Elections *[Port-au-Prince Radio]* ..... 5
Sansaricq Reacts to FNCD Expulsion Decision *[Port-au-Prince Radio]* ..... 5
Police Cited on Escaped Prisoners, Criminality *[Port-au-Prince Radio]* ..... 6

**MEXICO**

Salinas Condemns Coup Attempt in Venezuela *[Mexico City TV]* ..... 7
• Features of Retirement Draft Plan Described ..... 7
• Plan Sent to CT *[LA JORNADA 9 Jan]* ..... 7
• Problems Cited *[LA JORNADA 14 Jan]* ..... 8

**CENTRAL AMERICA**

**Costa Rica**

Government May Promote Total Blockade of Haiti *[Hamburg DPA]* ..... 10
Ministers Travel to Venezuela To Show Support *[San Jose Radio]* ..... 10

**Panama**

Endara Prohibits Negotiating With Terrorists *[EL PANAMA AMERICA 4 Feb]* ..... 10
Fire Department Says Short Circuit Caused Fire *[Panama City TV]* ..... 10
Further on Fire *[EL PANAMA AMERICA 5 Feb]* ..... 11

PTJ Authorities Discover Arsenal in Curundu *[EL PANAMA AMERICA 4 Feb]* ..... 12
International Band Suspected in Stamp Forgery *[EL PANAMA AMERICA 4 Feb]* ..... 12
Attorneys Reportedly Received Government Funds *[CRITICA LIBRE 5 Feb]* ..... 12
Former Policemen Meet To Discuss Benefits *[Panama City TV]* ..... 13
Business Group Lauds Outcome of Financial Talks *[EL PANAMA AMERICA 5 Feb]* ..... 13

## SOUTH AMERICA

### Argentina

Transfer of Missile Plant to CNAE Confirmed *[TELAM]* ..... 14
Corrientes Province Placed Under Federal Control *[BUENOS AIRES HERALD 5 Feb]* ..... 14
Menendez Named Head of Pensioner Health Service *[BUENOS AIRES HERALD 4 Feb]* ..... 14
'Uneasiness' Over 'Taiwan Operation' Discussed *[CLARIN 2 Feb]* ..... 14
Drug Enforcement Agreement Signed With Guatemala *[LA PRENSA 1 Feb]* ..... 16
• Influence Peddling by Menem Associates Reported *[SOMOS 6 Jan]* ..... 16

### Brazil

Bornhausen on New Role as Presidency Secretary *[O GLOBO 2 Feb]* ..... 19
Meets PTB Leader *[Brasilia Radio]* ..... 21
Attempted Kidnapping of U.S. Consul Reported *[Madrid EFE]* ..... 21
Company Calls Claim It Aided Iraq 'Fantasy' *[O GLOBO 4 Feb]* ..... 21
Distribution of Reactors Among Military Viewed *[O ESTADO DE SAO PAULO 4 Feb]* ..... 21
• Sotero Vaz Comments on Defense of Amazon *[VEJA 22 Jan]* ..... 21

### Venezuela

Defense Minister Ochoa Holds News Conference *[Madrid EFE]* ..... 24
Reports Deaths, Security Measures *[Caracas TV]* ..... 25
Denies Coup Leader's Suicide *[Caracas TV]* ..... 25
President Eulogizes Honor Guard Casualties *[Caracas TV]* ..... 26
Organizations, Leaders Condemn Foiled Coup *[AFP, etc.]* ..... 27
Writer Views Causes, Response to Coup Attempt *[Santa Fe de Bogota Radio]* ..... 27

## Cuba

### Tarara Murder Trial Enters Sentencing Phase

*FL0502133192 Havana Radio Rebelde Network in Spanish 1000 GMT 5 Feb 92*

[Text] The trial against those accused of piracy and murder at the marina in Pioneers City in Tarara has reached the sentencing phase after the Prosecutor's Office confirmed the death penalty request for two of the defendants, Luis Miguel Almeida Perez and Rene Salmeron Mendoza. Prosecutor Jose Luis Toledo Santander also upheld the request for 30 years in prison for Elias Perez Bocourt, Eric Salmeron Mendoza, and Pedro de la Rosa Guerra; as well as 18 years for Esperanza Atencio de la Rosa, 15 years for Miderglis Ponce Casanova, and eight years for Maria Mendoza Marrero. In the case of Enrique de la Rosa Guerra, the Prosecutor's Office modified its provisional request of three years in prison to five years for nonfulfillment of the duty to report a crime.

Witnesses, investigators, and experts appeared before the court during the second day of the hearing of Case 3 of 1992 in the Court for Crimes Against State Security and ample evidence was presented. All this corroborated the participation and guilt of the defendants in the actions. The statement taken from Soldier Rolando Perez Quintosa before witnesses in the intensive care ward, where he now is, was also read.

In accordance with the facts proved during the trial, in which the procedural guarantees laid down in the law were observed, all the defendants except Enrique de la Rosa Guerra and Maria Mendoza Marrero took part in the act of piracy with the intention of illegally leaving the country. The sentence for Enrique de la Rosa Guerra was modified because he participated in one of the meetings during which the criminals planned the crime. He knew all the details, including the possibility of violent actions, although in the end he did not participate in the actions. For her part, Maria Mendoza Marrero was also not present in Tarara, but she helped coordinate the criminal action and her complicity in these events was proved.

It was proved during the hearing that all the defendants who were at the marina succeeded in taking possession of a boat by eliminating the resistance of the guards. All of this constitutes the crime of piracy, which is punishable in the current penal code by 10 to 20 years in prison or death. It was also proved that defendants Luis Miguel Almeida Perez, Rene Salmeron Mendoza, Elias Perez Bocourt, and Eric Salmeron Mendoza attacked CDP [expansion unknown] Rafael Guevara and Orosman Duenas violently and by surprise. The latter put up strong resistance, but the criminals succeeded in neutralizing him.

It was stated that shortly after National Revolutionary Police members Yuri Gonzalez Reinoso and Rolando Perez Quintosa arrived to help their comrades, defendant Luis Miguel Almeida Perez returned to the guard shack, where he fired shots from an AKM rifle. When he came out, he gave a Makarov pistol to Rene Salmeron Mendoza, who in turn entered the small shack and fired the coup de grace at Rafael Guevara, as was proved during the trial. As a result of these actions, three soldiers died and one was seriously wounded.

The prosecutor accused Luis Miguel Almeida Perez, Rene Salmeron Mendoza, Elias Perez Bocourt, and Eric Salmeron Mendoza of murder, and established the chain of events and co-responsibility for the crimes. In his argument, the prosecutor explained that he is not asking for the death penalty for Elias Perez Bocourt because according to the psychiatric evidence, he shows slight mental retardation and post-traumatic organic disorders from a head injury he suffered as a teenager. As for Eric Salmeron Mendoza, the prosecutor indicated that he is not requesting the maximum sentence because Cuban laws establish a minimum age of 20 for its application, and the defendant is 19 years old.

The prosecutor asserted that this is Cuban justice, which is incapable of applying the death penalty to a man such as Elias Perez Bocourt or of violating the established laws. In his argument, the prosecutor denounced that one of the causes of crimes such as these is the attitude of the United States, which welcomes with open arms those who reach their territory illegally, and encourages treason and illegal departures from Cuba while not complying with the immigration agreements that have been signed.

The seven defense lawyers, all appointed by the court, in each case presented considerations in favor of the defendants to reduce the sentences. The court will hand down the sentences in the next few hours. If a death penalty is applied, it will automatically be appealed before the Supreme People's Tribunal.

### Death Sentences Issued

*FL0602022092 Havana Radio Rebelde Network in Spanish 0042 GMT 6 Feb 92*

[Text] The Provincial People's Tribunal of Havana City has issued sentences in Case No. 3 of 1992 at the Court for Crimes Against State Security for piracy and murder. Luis Miguel Almeida Perez and Rene Salmeron Mendoza were condemned to death for both crimes. Elias Perez Bocourt and Eric Salmeron Mendoza received sentences for piracy and accessory to murder. Elias Perez Bocourt received a 30-year prison term, and Eric Salmeron Mendoza was sentenced to 25 years in prison. For the crime of piracy, the court sentenced Pedro de la Rosa Guerra to 25 years in prison; Esperanza Atencio de la Rosa and Miderglis Ponce Casanova were sentenced to 15 years in prison. Defendant Maria Mendoza Marrero was sentenced to 10 years in prison for being an accessory to piracy, and Enrique de la Rosa Guerra was sentenced to four years in prison for other acts against state security.

The tribunal considered that the events which occurred at the Tarara nautical base include the crimes of piracy,

three murder charges, one attempted murder, and other acts against state security which are included in and sanctioned by the current penal code.

The court sentence declares that Luis Miguel Almeida Perez, Rene Salmeron Mendoza, Elias Perez Bocourt, Eric Salmeron Mendoza, Pedro de la Rosa Guerra, Esperanza Atencio de la Rosa, and Miderglis Ponce Casanova, through violent means, boarded a naval vessel, tried to seize it and alter its route. The court pointed out that Maria Mendoza Marrero helped to conduct the crime by serving as a point of contact among the accused. The court decision adds that Luis Almeida Perez and Rene Salmeron Mendoza murdered three people, were responsible for piracy and murder, organized the plan of action, and shot the victims. The court's statement goes on to say that Elias Perez Bocourt and Eric Salmeron Mendoza are guilty of the crimes of piracy and accessories to murder; they helped to neutralize the victims. In accordance with current legislation, the death penalty sentences are automatically appealed before the Supreme People's Tribunal.

The accused Luis Miguel Almeida Perez and Rene Salmeron Mendoza have appalling social conduct and a sordid moral character. Almeida Perez had been expelled from his job for raping a woman, a crime which, together with Rene Salmeron Mendoza, he repeated on two other occasions against two other women by means of trickery and threats of bodily harm. Almeida Perez had also participated in the theft of a car from a taxi facility—he later crashed the vehicle and fled the scene—and in other crimes against property. Rene Salmeron Mendoza is a sexual deviant who has publicly exposed himself at beaches and bus stops. He has raped two juveniles and has committed several thefts including a recorder, clothing items, and money. This defendant also threatened an entire family with a knife, in search of another citizen whom he sought for revenge.

## Castro Comments on Country's Refrigeration Plants

*FL0602000692 Havana Cuba Vision Network in Spanish 2320 GMT 5 Feb 92*

[Excerpt of an interview with Fidel Castro by unidentified reporter at the Quivican refrigeration plant; date not given—recorded]

[Text] These refrigeration facilities were built mainly for the storing potatoes, so potatoes could be stored for longer periods, especially during the slump period which occurs in June, July, August, and September, more or less. Now, we have almost doubled our refrigeration capacities. To this we must add that last year, the Alquizar refrigeration facility was completed, but another one was completed in Habana del Este in (?Roa). That totals three new, large ones. The one in Batabano will be the fourth one. There was also a structural collapse, so one Habana del Este refrigeration facility could not be used. We will therefore see if the refrigeration facilities have sufficient capacity to store potatoes, carrots, and a little bit of cabbage.

## Castro Visits French Ambassador's Residence

*FL0502140092 Havana Radio Progreso Network in Spanish 1200 GMT 5 Feb 92*

[Excerpts] Last night, Commander in Chief Fidel Castro visited the residence of the French Ambassador to Cuba, His Excellency Philippe Peltier, on the occasion of the presence in our country of the France-Latin America Friendship Group. This delegation is headed by Senator Roland du Luart and includes Hector Viron, Pierre Vallon, and Jacques Barrot, who represent different parties in the French parliament. Fidel's meeting with the senators began before 2100 and ended almost at 0000. [passage omitted]

The French delegation will leave this morning for Kingston, Jamaica, as part of their continuing tour of other Latin American nations. During their stay in Cuba, the senators from the France-Latin America Friendship Group met privately with Cuban President Fidel Castro, Carlos Rafael Rodriguez, Carlos Aldana, Juan Escalona, and others. They also visited social, scientific, and tourist projects.

## Citizens Take Refuge in Italian Ambassador's Home

*PA0502143492 Madrid EFE in Spanish 1944 GMT 2 Feb 92*

[Text] Havana 4 Feb (EFE)—For the past week, two Cuban citizens have been hiding in the residence of Carlo Civiletti, the Italian ambassador in Cuba. However, that information was not disclosed until today.

By means of different channels, three Western diplomatic and nondiplomatic sources were able to confirm the report to EFE.

When asked about the report, Italian Consul Cesare Corti merely stated, "we have no comment with respect to the report" and "the only one authorized to provide any information concerning this issue is our Foreign Ministry in Rome."

As for the Cuban Foreign Ministry, when asked about this issue, its spokesman merely answered, "we neither confirm nor deny" the presence of the Cuban refugees in the Italian ambassador's residence.

Western sources have identified the Cubans who have taken refuge in the ambassador's residence as Ramon Alcalde Limon and Abel Benigno Mesa Herenandez. Both men are 30 years old.

By coincidence, both men have sought refuge in diplomatic offices on previous occasions. At one time Mr. Alcalde sought refuge in the same Italian Embassy, and Mr. Mesa in the Belgian Embassy.

Their objective has not yet been confirmed. However, during the first incident they were both looking for some way out of Cuba.

Cuban authorities have repeatedly stated that any citizen that tries to force their way out through diplomatic offices accredited in Cuba will never be allowed to depart.

The authorities have also stated that they are willing to allow any Cuban to emigrate as long as the person obtains a visa and an airline ticket to the country where he or she wishes to travel.

The last serious conflict of this type took place in the summer of 1989 when several dozen Cubans sought refuge in the embassies of Czechoslovakia, Spain, Belgium, and Italy.

In the end, they all had to leave the embassies on their own account without having achieved their objective, and with the authorities' promise that there would be no reprisals against any of them.

### Fernandez, Delegation End 3-Day Visit to Iran

*FL0502222992 Havana Radio Reloj Network in Spanish 2051 GMT 5 Feb 92*

[Text] Jose Ramon Fernandez, vice president of the Council of Ministers, who heads the Cuban delegation to the Islamic Republic of Iran, has ended a three-day visit to this brother country. During his visit to Iran, Fernandez held a fraternal meeting with Iranian President Hashemi-Rafsanjani to whom he delivered a message from Commander in Chief Fidel Castro. The Cuban delegation also met with Mehdi Mahdavi-Karrubi, speaker of the Islamic Consultative Assembly, and other high-level officials.

Duing its visit, the delegation placed a wreath on the tomb of Ayatollah Khomeini and attended a sports festival which initiated the Islamic Revolution anniversary celebrations. The Cuban Embassy in Tehran reported that the visit of Fernandez and his delegation is part of a current program of exchanges and development of fraternal relations between the two countries.

### Causes of Coup Attempt in Venezuela Viewed

*FL0402141592 Havana Radio Rebelde Network in Spanish 1255 GMT 4 Feb 92*

["Our Opinion" commentary]

[Text] Although it is still too early to make a more thorough analysis of the coup attempt that has shaken Venezuela during the early morning today, the following facts seem clear. The great majority of the Venezuelan political spectrum, both government and opposition, has rejected the coup attempt and supported President Carlos Andres Perez, who was elected on 4 December 1988 with 54 percent of the vote. The coup plotters tried to capitalize on the discontent which is common in military sectors. The threat to political stability in Venezuela, as shown in this failed military movement, seems to confirm that no matter who the protagonists of this failed coup attempt are, maintaining democracy and political and social stability in Latin America is linked to development and social justice.

Venezuela is one of the richest countries in Latin America and the Caribbean. It is the fourth largest oil exporter of the OPEC member countries. Venezuela also has great mineral wealth, enormous extensions of land suitable for agriculture and livestock raising, and major rivers. It produces steel and has a manufacturing industry that defines it as a developing country [as heard], and it has a per capita income of $2,400, according to official statistics.

In spite of this enormous potential wealth, there are serious social problems. The purchasing power of wages has deteriorated with the adoption of forms of market economy and pressures from abroad to pay the country's foreign debt. President Carlos Andres Perez had to decree a curfew and suspend the exercise of fundamental rights 26 days after taking office in February 1989 because of violent disturbances in Caracas and other cities which arose after an increase in the prices of bus fares and basic goods. The official outcome of those tragic events was 300 dead; the Venezuelan press estimates that the number was between 500 and 1,000. On 9 March 1989, constitutional guarantees were restored in Venezuela after the curfew was lifted. President Carlos Andres Perez told me that year in Belgrade, where he was attending the Nonaligned Movement summit, that the cause of that uprising was the IMF.

On 18 May 1989, a general strike occurred in Venezuela to protest economic policy. In June 1989, violent demonstrations took place against the announcement of an increase in the price of gasoline. The Venezuelan Army stated that it was willing to act. The disturbances spread to almost the entire country and lasted until the end of July. Between 20 and 23 March 1991, further demonstrations took place in Caracas against the increase in the cost of living and lasted until the middle of April. People were killed and injured. In December 1991, there were further student protests, and 10 young people were killed as a result.

At the beginning of this year, further student demonstrations took place in Caracas. National strikes by doctors and judicial officials were also reported during this period I am analyzing. These are facts, not descriptions of facts. In sum, what occurred today in Venezuela, and was rejected by the vast majority of political forces organized into parties, seems to confirm that in Latin America, democracy and political and social stability are closely linked with development and social justice.

### Holguin Official on Fighting Economic Crimes

*FL0502163992 Havana Radio Reloj Network in Spanish 1502 GMT 5 Jan 92*

[Text] Francisco Garcia Ferrer, first secretary of the Communist Party of Cuba [PCC] in Holguin, has said that leaders must take an active role in fighting economic crimes. He said this at a meeting with the council of directors of the provincial prosecutor's office. The party leader stated that criminal acts are made easier by the lack of control and high standards in some enterprises and organizations. Severe measures should be taken against those who are responsible, and revolutionaries must be faithful guardians of state property.

Garcia Ferrer emphasized that material and economic resources should be strictly controlled. He stressed the importance of making the Unified Vigilance and Protection System function properly. The Holguin prosecutors expressed their determination to continue working hard in the fight against common and counterrevolutionary crime, as the current circumstances of the special period demand.

## Inter-Caribbean Affairs

### Caricom Condemns Venezuelan Coup Attempt

*FL0602024992 Bridgetown CANA in English 2011 GMT 5 Feb 92*

[Text] Basseterre, St. Kitts, Feb 5, CANA—St. Kitts and Nevis Prime Minister Dr. Kennedy Simmonds, has condemned Tuesday's attempted coup in Venezuela.

Simmonds, who is chairman of the 13-nation Caribbean Community (Caricom), said the attempt was counter to President Carlos Andres Perez's championship of democracy. He said that Caricom had reiterated its commitment to democracy as an essential pre-requisite for the development of people.

The regional grouping reaffirmed its support to President Perez as the constitutionally elected president of Venezuela, he reported. He called for an immediate end to all insurgency in Venezuela so that the Republic could continue to pursue the democratic path to economic development and prosperity.

The military coup attempt killed 19 people and shook the country's reputation as one of Latin America's most stable democracies. The government said more than 1,000 soldiers had been detained after loyal Army units crushed the military uprising in which President Perez said he narrowly escaped assassination.

## Antigua and Barbuda

### Government Condemns Venezuelan Coup Attempt

*FL0602030092 Bridgetown CANA in English 2023 GMT 5 Feb 92*

[Text] St John's, Antigua, Feb 5, CANA—Antigua and Barbuda's External Affairs Minister Lester Bird says if Tuesday's coup attempt in Venezuela had succeeded it would have been disastrous for democracy in the region.

Bird told CANA a change of government "would have been disastrous for the region and democracy" in the Caribbean. He decribed Perez as an "outstanding leader" who had applied for Venezuela to become a member of Caricom (the Caribbean Community)."

The Antigua and Barbuda Government, in a statement, said it "condemns the attempted coup as an assault on the democratically elected government" and expressed "solidarity with the Venezuelan authorities." The government here hopes for "a speedy return to normalcy in Venezuela." It said it had "communicated these sentiments, together with best wishes to the Venezuelan president."

As elements of the Venezuelan Army tried to seize power, 19 people were killed and the country's reputation as one of Latin America's most stable democracies was shaken.

The government said more than 1,000 soldiers had been detained after loyal Army units crushed the military uprising in which President Perez said he narrowly escaped assassination.

## Dominican Republic

### Balaguer Sends Message of Support to Perez

*FL0502180792 Santo Domingo Cadena de Noticias in Spanish 0930 GMT 5 Feb 92*

[Text] President Joaquin Balaguer has condemned the coup attempt against the Venezuelan Government. Balaguer rejected the foiled coup in a message sent to Venezuelan President Carlos Andres Perez through the Dominican Foreign Ministry. In his message, the head of state said he is in solidarity with the democracy that Venezuela practices and that President Perez represents.

Balaguer added that the democratic regime in Venezuela can count on the democratic regime in the Dominican Republic as an ally in its fight to overthrow the forces that are now trying to take away the rights and freedoms which had been gained at such a high cost by the heroic Venezuelan people. President Balaguer proclaimed that his government categorically rejects those who try to plunge Venezuelan society into illegality and tie it down in a new despotism.

## Haiti

### U.S. Ambassador's Role, Recall Assessed

*FL0602010392 Port-au-Prince Radio Metropole in French 1700 GMT 5 Feb 92*

[Marcus Plaisimond commentary: "Recall for Consultation or Final Recall?"]

[Excerpts] This Wednesday marks the eighth day since the departure of American Ambassador Alvin Adams from Port-au-Prince. [passage omitted]

[Begin Plaisimond recording] Having arrived in this country in November 1989, Alvin Adams made immediate news when he stated, in the Diplomatic Room of the International Airport, that his mission was to help with the smooth running of the Haitian democratic process. Concluding his speech with the Creole proverb: Loaded donkey does not stop, he got his nickname. This statement was received poorly by some sectors of the country. [passage omitted] Without any official reaction, the General Avril government delayed the ceremony in which the American diplomat presented his credentials.

After that, Alvin Adams made a shattering entrance into Haitian political life. Several times he stated that elections must be held, the American condition for a renewal of aid which had been dropped following the bloody events of 1987. Less than four months after Adams' arrival, the general president resigned from power and left for a foreign country. The opposition at that time shouted victory.

Alvin Adams' departure is regarded unanimously as his first diplomatic victory. Warm applause greeted the news that he would remain for the entrance into power of Provisional President Ertha Pascal Trouillot. With the electoral process underway, the American ambassador began to make many statements, using the Creole proverbs of which he appeared to be particularly affectionate. Two of these proverbs especially marked Haitian politics. One of them was: The drum is heavy after the party.

From the time of his arrival, he was present for important moments in Haitian politics. The American ambassador is considered one of the most, if not the most, influential ambassador. He also was criticized widely, accused of interfering in the country's internal affairs. Eight days after his departure, the Haitian political world asks: Final recall or recall for consultations? The question remains unanswered. [end recording]

### Rights Group Reports Violations by Military

*FL0502210492 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 5 Feb 92*

[Text] The Haitian Center for the Defense of Public Freedoms [CHADEL] has reported 73 cases of human rights violations for the month of December 1991. According to the CHADEL bulletin, half of those violations were committed by the military against lavalas partisans. These 73 cases include people who were attacked, people who were mauled, and people who were arrested because they were Presidential Security Service members or because they were distributing leaflets in support of Jean-Bertrand Aristide's return to power.

Among those cases of human rights violations, CHADEL cited the case of Jean-Claude Museau who was arrested on 30 December 1991 in Les Cayes because he was posting pictures of the former president on walls. Jean-Claude Museau died a few days later from the blows he received from the military.

CHADEL also mentioned the case of Regine D. Volcy, a sister-in-law of Frantz Verella who was minister of public works under the previous government. She was arrested in her home by six armed civilians and one military person.

CHADEL reported that in Saint-Marc two soldiers arrested the mayor of the city, Donald Prosper, and Vice Delegate Jean-Gardy Moise on 9 December. They were accused of distributing leaflets in the city and jailed. The CHADEL bulletin also points out that the president of the Saint-Marc Municipal Council closed the doors of city hall and stated that he will not reopen them until former President Jean-Bertrand Aristide returns to power.

CHADEL, tackling the issue of fundamental rights in the bulletin, expresses its belief that the nation's prerogative to exist is of higher priority than its need to coexist with other nations.

### Carmen Christophe Opposes New Elections

*FL0602002092 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 5 Feb 92*

[Excerpt] Mrs. Carmen Christophe [former mayor of Port-au-Prince under the Avril government and a well-known macoute] has stated that the Haitian parliament is responsible for the country's current problems. It is her opinion that if the parliamentarians were truly willing to solve Haiti's problem, they would have already found a solution to the crisis.

Carmen Christophe does not agree with the idea of holding new elections in Haiti because she feels that no country will acknowledge a government resulting from those elections. She believes parliament should ratify Rene Theodore's candidacy as prime minister because the National Reconstruction Movement has promised the reconciliation of all the country's sons and the resumption of normal activities in Haiti. [passage omitted]

### Sansaricq Reacts to FNCD Expulsion Decision

*FL0502204392 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 5 Feb 92*

[Excerpt] Bernard Sansaricq, the senator from Grand'Anse, in reaction to the National Front for Change and Democracy [FNCD] decision to expel him from the organization, says he has never been a member of the FNCD, an organization which the sane strata of society denigrates because of all the immoral, low-level deeds it

perpetrates. He says the sole aim of his National People's Party of Haiti in joining the FNCD was to wage the struggle for the progress of democracy in Haiti.

Unlike Senator Dupiton, who used moderate words concerning Father Aristide's return to the country in his reaction, Senator Bernard Sansaric stated that the FNCD betrayed him in its choice of Aristide as president. The senator finds it natural that he stand aloof from the FNCD which is, in his opinion, a movement without political vision. [passage omitted]

## Police Cited on Escaped Prisoners, Criminality

*FL0502200792 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 5 Feb 92*

[Text] On 4 February, the Port-au-Prince police announced that 364 people, who were incarcerated at the National Penitentiary and other prisons in the capital, escaped during the events that occurred at the end of September 1991. An official of the Investigation and Anti-Gang Service, who was quoted in the daily LE MATIN, said the police have not been successful in arresting any of these people who continue committing crimes in the capital. According to this same source, this is why so many crimes are being committed.

The Anti-Gang official also spoke of a group of criminals that the police has managed to disband. This group of criminals, that calls itself The Red Army, was armed with M-1 rifles and operated mainly in the southwest of the capital. The same military official asserted that when repeatedly interrogated, the Red Army members stated that the army was working for ousted President Jean-Bertrand Aristide.

## Salinas Condemns Coup Attempt in Venezuela

*PA0502131592 Mexico City XHTV Television Network in Spanish 0200 GMT 5 Feb 92*

[Text] President Carlos Salinas de Gortari has strongly condemned the attempted coup d'etat in Venezuela and has issued a communique reasserting his support for Venezuelan President Carlos Andres Perez.

[Begin Salinas recording] Referring to the events that took place in Venezuela early on the morning of 4 February, as Colombian President Cesar Gaviria and I stated in a joint declaration, the Mexican Government strongly condemns the subversive attempt on the life of President Carlos Andres Perez and the attack on constitutional order in Venezuela and its democratic institutions.

I have talked with President Perez by telephone and I have stated our pleasure concerning his personal welfare and the Mexican people's solidarity with constitutional order in Venezuela. President Perez said he appreciated Mexico's support very much and said that the coup attempt was almost resolved. I reasserted my support, friendship, and affection at such an unfortunate moment for Venezuelan democracy.

Early on the morning of 4 February I talked with President Gaviria and we agreed to issue a declaration strongly condemning the action, and stating our full support for President Perez. I also talked with Spanish Prime Minister Felipe Gonzalez, who told me about his efforts to seek support among the EC countries for constitutional life in that friendly Latin American nation.

I have established contacts with other Latin American heads of state, including the presidents of Brazil, Peru, and Chile, and we have agreed to unanimously reassert our rejection. I have issued instructions to the foreign secretary so that we can carry out intensive activity with the Group of Rio, the OAS, and the nations in our region, to reassert our support for President Carlos Andres Perez. Mexico believes that the protection of the law and the constitution is essential to maintaining democracy and people's rights. [end recording]

## * Features of Retirement Draft Plan Described

## * Plan Sent to CT

*92CA00764 Mexico City LA JORNADA in Spanish 9 Jan 92 pp 1, 12*

[Report by Andrea Becerril]

[Text] Major changes in the retirement and low-cost housing program are called for in the first draft of the decree that the federal government has submitted to the Labor Congress (CT). The aim is to create the Retirement Savings System, a sort of complementary pension fund that will be compulsory for all wage earners in the country and will begin operating this coming 1 May.

Mexico's current labor and social-security laws will have to be reformed and expanded in order to establish this fund, which will consist of employer contributions of two percent of worker wages, and to alter the operational and financial structure of Infonavit [Institute of the National Fund for Workers Housing] and Fovissste [Housing Fund of the Institute of Social Security and Services for Government Workers] so that the contributions can be deposited in banks.

The first draft of the decree, which will be submitted to the legislature soon (during the next special session), details the changes that will be made in the Federal Labor Law, the Federal Law on State Workers, the IMSS [Mexican Social Security Institute] Law, and the ISSSTE [Social Security and Services Institute for Government Workers] Law, in order to incorporate the new arrangements, which as Fidel Velazquez has stated in recent days, have already been virtually accepted by labor leaders.

The document first indicates the changes that will have to be made in the Social Security Law; the government wants them to take effect as of 1 May.

Eight articles [as published] will be reformed: 11; 19, Subsection III; 23, Subsection I; 32, Clause c; 33; 269; 271, Paragraph 1; 276, Paragraph 1; and 277. A new section, V bis, called "Retirement Savings System," with Articles 183-A to 183-T, Article 231 bis, Subsection V of 246, and 258-F to 258-H will be added to Title Two. A third paragraph will also be added to Article 271 and Article 280 bis.

All of this will be done to establish the Retirement Savings System and regulate its operation, which will be as follows: the owners of the companies will deposit two percent of the base wage of workers in individual accounts in banking institutions.

The banks, in turn, will constitute trusts in which, acting as trustees, they will receive the contributions. The workers will have the status of beneficiaries, and the banks will receive commissions in proportion to whatever investments may be made.

The balance in the accounts will be increased every four months in proportion to the National Consumer Price Index, "earning interest at a real rate compoundable every four months." The first draft does not specify this interest rate (a space is left for setting it).

The individual retirement savings accounts will have two subaccounts: the savings account and the National Housing Fund account. Employers are obligated to make both deposits simultaneously in whatever lending institution they choose.

Workers will be entitled to information about the balance in their individual accounts once every six months, although they may obtain such information at any time by paying the fee set by the Bank of Mexico.

Workers will be entitled to request that the funds in their account be transferred to another institution, for which they will pay the corresponding fee.

At age 65 or upon acquiring the right to receive a pension under the Social Security Law, or the Private Pension Fund established by the employer, the workers may avail themselves of the Retirement Savings Fund under any of the following arrangements:

Acquire a life annuity from an insurance company; receive partial payments under the plan that they agree upon with the lending institution involved, or a combination of the two options.

They may receive a single "lump sum" payment from the fund only if the account balance is less than one year's minimum wage.

As for the National Housing Fund subaccount, workers may request that it be transferred to a mutual fund. In this regard, the Finance Secretariat will determine, by means of general regulations, the mutual funds that may manage the funds from the aforementioned subaccount."

In addition, the workers will be entitled "on a one-time basis to have the lending institution turn over to them the funds in the subaccount, as long as they use them to meet their housing needs under the terms of the Infonavit Law."

Workers may also use them "to take out life insurance, under the terms indicated for this purpose by the Secretariat of Finance and Public Credit, drawing on the interest that the savings subaccount earns, though the corresponding premium may not exceed 4 percent of such interest."

In the event of a temporary disability, the employer contributions will not be interrupted, unless it lasts longer than provided for by the IMSS law. In this case, the workers may receive the interest generated by their accounts every four months until they return to work.

If wage earners become unemployed, they have the option of making the monthly contributions to their account and of withdrawing an amount not to exceed three times the value of the most recent four-month contribution, as long as the account has contributions from the last five months.

Workers may at all times make additional contributions to their accounts. In the event of death, the account balance will be turned over to the beneficiaries expressly indicated by the account holder.

The contributions, as well as the updated balance and interest, will be exempt from all taxes.

Section V bis, which has been added to the Social Security Law, calls for the establishment of the Technical Committee of the Retirement Savings System. The committee will consist of eight full members and their alternates, two from the Finance Secretariat, two from the Labor Secretariat, two from the Bank of Mexico, and one each from the IMSS and Infonavit. They will be appointed by the heads of these institutions from among the subsecretaries or directors general.

The committee will serve as a consulting body, recommend standards and regulations for the system, and rule on specific, unforeseen circumstances.

As for civil servants, workers governed by Paragraph "B," exactly the same system with an identical name (Retirement Savings System) is being proposed.

Here the first draft of the decree calls for reforming 13 articles of the ISSSTE Law and adding two subsections and an entire section, V bis, to Title Two. Also, the following are repealed: Subsections II of Article 100; Article 102; Clause A of Subsection I and Subsection II of Article 103; Articles 104, 107, 112, 114 to 116, 119, 122, 123, and Subsection VI of Article 170.

As for changes in housing, reforms are called for in the Federal Labor Law and the State Workers Federal Law Regulating Paragraph "B" of Article 123 of the Constitution. The idea is that the employer housing contributions that used to be deposited in the Finance Secretariat for rerouting into Infonavit and Fovissste will now be deposited in banks.

Seven articles in the Federal Labor Law are being reformed: 51, Subsection IX; 97, Subsection III; 110, Subsection III; 137; 141; 143, Clause C, and 145, Paragraph One. Articles 51, Subsection IX (which becomes X); 143, Clause H, and 450, Subsection VIII are being added. Articles 140, 144; the third paragraph of 145, and 149 are being repealed. As for the Federal Law on State Workers, Article 43, Subsection VI, Clause H is being reformed.

The first draft of the decree contains seven transitory articles specifying that the amendments to the IMSS Law and the ISSSTE Law will take effect as of this coming 1 May, except the housing regulations, which will do so as of 1 September of this year.

The changes in the Federal Labor Law and the Federal Law on State Workers will take effect as of 1 September 1992.

Employers will have 60 days, as of 1 May, to open the individual worker accounts. They will also be obliged "to make an initial contribution to the individual savings accounts," the amount of which "shall be calculated as 4 percent of the minimum wage that workers are earning as of 1 May 1992."

*** Problems Cited**

*92CA0076B Mexico City LA JORNADA in Spanish 14 Jan 92 p 21*

[Report by Alberto Barranco Chavarria]

[Excerpt] The Pension Funds are already timidly appearing on the horizon, even though the legal framework regulating them does not yet exist. In fact, as the year began, civil servants were greeted with the news that 2 percent of their earnings are already being withheld under the heading of "retirement."

The idea, which was reportedly developed by the general manager of Nacional Financiera [National Finance Bank, Inc.], Oscar Espinoza Villarreal, who was in turn inspired by the "Chilean model," has been in the works for two years. Hundreds of obstacles have arisen along its path, which may reach an end in April when the corresponding bill is submitted to the special session of Congress.

Above and beyond the reluctance of employers to pay at least part of the contribution (somewhat like the workings of Infonavit or Social Security) and aside from the unfairness of adding another "crumb" to the workers' measly pay, not to mention what the insurance companies hastened to describe as "unfair competition" for their retirement plans aimed at the upper middle class, the biggest problem is called confidence.

On 4 July 1990, a day after we outlined the incipient idea ("A Future With Guarantee") in this column, we received an angry letter from Banrural [National Rural Credit Bank] workers, recalling their tragic experience of years past, when the hard-earned money that they had deposited in a "Mutual Fund" in hopes of a "decent retirement," vanished through the magic of corruption.

The prime example, however, is Infonavit itself, the propaganda for which when it was created promised that every worker who did not get a home or a loan in 10 years would receive his share in cash.... The pioneers in this adventure are still waiting for their money 15 years later.

So, the creation of a National Pension Fund, managed by private individuals but overseen by a government body similar to banking, insurance, or securities commissions, carried a high political cost for the government. Only, the benefits, which are not exactly for the workers, wound up balancing things out and precipitated the decision.

Created during General Augusto Pinochet's illegitimate regime, Chile's National Pension Fund grew so much in 10 years that by 1990 it was equivalent to one-fourth of the Gross Domestic Product.

The Andean country used this juicy morsel not only to support its long-range infrastructure projects and solidify its Securities Market but also to shore up its privatization programs. This is such a sure bet that the first step that Poland took towards becoming a capitalist country was to establish a National Pension Fund.

The reflex is an obvious one. In light of the still persistent tendency of our savers to look to the short term, the existence of one or more institutional funds will enable projects to be financed for 10 or 15 years through the issuance of bonds or other securities.

Moreover, these funds traditionally tend not to invest in the stock market during periods of speculation, and this will make our market more trustworthy.

The big problem is that the kitty that builds up may whet the government's appetite, as happened with Social Security in the 1970's and Infonavit in the 1980's, as it seeks to finance itself without the annoyance of interest payments.

For the time being, the privatized banks have gotten their New Year's present: the hope that they will receive, merely by opening up their coffers, billions of pesos to cover the retirement pensions of the workers in the long term. [passage omitted]

## Costa Rica

### Government May Promote Total Blockade of Haiti

*PA0502164792 Hamburg DPA in Spanish 2058 GMT 4 Feb 92*

[Text] San Jose, 4 Feb (DPA)—The Costa Rican Government is considering promoting a total economic blockade and a continent-wide break in diplomatic relations with Haiti to pressure that country into restoring its democratic process.

Costa Rican Foreign Minister Bernd Niehaus made that announcement on 4 February and called on the OAS to adopt "stronger" actions in defense of democracy on the continent.

Niehaus said the 30 September coup d'etat against President Jean-Bertrand Aristide and the failed 4 February attempt to topple Venezuelan President Carlos Andres Perez "are warnings of a future problem."

The foreign minister regretted that certain countries and companies, the names of which he did not mention, have failed to fulfill the commercial embargo decreed by the OAS in October against Haiti's de facto regime.

Niehaus, who traveled to Washington on 4 February, said he will attempt to promote an appropriate atmosphere for a new meeting of OAS foreign ministers to discuss the adoption of stricter measures against Port-au-Prince.

"There is a misunderstanding regarding the principle of nonintervention. Costa Rica fully respects that principle, but there are other principles of international law that force us to act in defense of human rights and democracy," Niehaus emphasized.

"It would seem that certain governments are fearful of going a step further; they lack the courage to adopt stronger actions," said Niehaus.

The foreign minister said that actions against Haiti adopted thus far have not only been ineffective but "have rather hampered the possibility of restoring democracy."

"The OAS must be stronger and firmer in its defense of democracy. If the countries of the continent cannot adequately respond, what good is the OAS?" said Niehaus, who aspires to become OAS secretary general in two years.

Niehaus warned that if joint, coordinated, and efficient steps are not taken against Port-au-Prince's de facto regime, "countries such as Venezuela and other democracies on the continent may succumb."

### Ministers Travel to Venezuela To Show Support

*PA0502223292 San Jose Radio Reloj in Spanish 0100 GMT 5 Feb 92*

[Text] As a sign of solidarity and support for the Venezuelan Government and people, President Rafael Angel Calderon Fournier has decided to send Presidency Minister Rolando Lacle and Deputy Foreign Minister Hernan Castro to Caracas on 5 February. The visit is intended to show that the Costa Rican Government and people support democracy, the people of Venezuela, and Venezuelan President Carlos Andres Perez.

Calderon Fournier said the rebels' aim was not just to topple Perez but to murder him so an ultraright group within the army could assume power.

## Panama

### Endara Prohibits Negotiating With Terrorists

*PA0502133392 Panama City EL PANAMA AMERICA in Spanish 4 Feb 92 p 1a*

[Excerpt] President Guillermo Endara said "it is not true" that his government has approved negotiations with those responsible for the recent wave of terrorism that has shaken the country since January.

"I must state emphatically that no executive branch official has been authorized to initiate contacts of that kind," Endara said in a letter addressed to Juan Chevalier, minister of government and justice; National Police Chief Oswaldo Fernandez; Carlos Bares, chief of the Institutional Protection Service; and Menalco Solis, executive secretary of the Council for Public Security and National Defense.

The president warned government employees in charge of public security that negotiations with terrorists "are strictly forbidden," and there should be no doubt about the government's policy on this issue.

Reports on 3 February had affirmed that high-ranking officials had stated that it was urgent that negotiations be conducted with the former soldiers who are allegedly connected with terrorism to get them to stop the attacks and bomb scares. [passage omitted]

### Fire Department Says Short Circuit Caused Fire

*PA0502195192 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Feb 92*

[Passages within quotation marks are recorded]

[Text] The Panama Fire Department's security office on 4 February released its official and final report on the explosion at the Panama America Publishing House [EPASA]. The report states that the explosion was caused by a short circuit.

The fire department report indicates that a combination of circumstances—a drop in power, the sudden starting

of EPASA's power plant, and the return of normal power levels—were the leading causes of the recent explosion at the facilities where CRITICA LIBRE and EL PANAMA AMERICA are published.

[Unidentified fireman] "The main cause of the fire was a short circuit caused by an electrical flaw."

During a news conference, the security office disclosed all the details that were taken into consideration for the final report on the EPASA case. The report states that the use of aluminum instead of copper wiring in the electrical system was one of the leading causes.

[Fireman] "When a Molotov cocktail explodes, it leaves what we describe as a tattoo or, in other words, a definite pattern where you can see how the oil spilled. You find pieces of glass, sometimes very small pieces. You also find sand and pieces of wick. None of these things were found either inside or outside the building."

Nevertheless, the fire department's explanation has not convinced EPASA's owners.

[Rosario Galindo] "When you have a short circuit, as far as I know—but I am no electronic technician—it is a very slow process, more or less slow, and you see immediate electrical changes. Power oscillates, and computers are also immediately affected. Nothing like this happened at either of the two editorial desks that were functioning at the time."

Mrs. Galindo went on to point out that, following the explosion, no one visited the manager's office to acertain the details of the incident.

[Galindo] "No one has come here to ask us for statements or to ask who the heads of the departments were, who was present, who they could talk to, absolutely nothing. They spoke only with the individuals who were present at the time of the explosion."

However, the situation may change regarding the fire department's report, because the final report was denied to EPASA's directorate on the afternoon of 4 February.

[Unidentified EPASA official] "They are telling me now that it will take 24 hours to deliver a report that on the morning of 4 February they offered to send immediately. Therefore, I cannot add anything regarding the contents of the report.

"I hope the written report faithfully reflects, word for word, the document that was read to those who attended the 4 February news conference, where it was disclosed—in a manner in which, as you said, left no room for doubt—that the so-called short circuit is simply a possibility and nothing more."

## Further on Fire

*PA0602025692 Panama City EL PANAMA AMERICA in Spanish 5 Feb 92 p 1A*

[Text] Ignacio Mallol, general manager of El Panama America Publishing House [EPASA], has confirmed that four days before a fire destroyed part of the EPASA building, he received a call from a man who identified himself as the coordinator of a plan to attack the publishing house building.

The man demanded 5,000 balboas in exchange for a complete report on the attack, which was to take place with the participation of elements outside EPASA and people inside the company, Mallol said.

Mallol explained that one week earlier, EPASA had received calls alerting the business to the presence of a bomb. People inside the building were forced to evacuate twice on 17 January.

On 25 January, the day of the fire, guards from a private security agency noticed an alarming amount of smoke and fire coming from an area near the building's telephone equipment. They also saw a car without license plates being driven by suspicious-looking individuals and noted how quickly the car left the area when they, the guards, tried to stop it.

As the security guards were unsuccessfully trying to put out the fire, other employees noticed no problems with the lighting system or sensitive computer equipment. Power did not go out until it was affected by the advancing fire. It was cut off by employees who assisted in the operation to control the fire.

Manager Mallol said they were all surprised when a National Police corporal had a report at 2100 stating that a short circuit was the cause of the disaster, even though at that time the fire was still raging, power was out, and smoke made visibility and staying inside the building impossible.

Three days after the fire, the Fire Department's Security Office summoned security guards, the telephone operator, and the electronic technician to testify but refused to provide copies of their statements when requested. The firefighters, Judicial Technical Police [PTJ], and Public Force did not seek the testimony of the other 70 employees working on the day of the fire.

The EPASA manager said company executives were not summoned to testify either. He voluntarily showed up at PTJ headquarters to provide information to help solve the case.

Mallol revealed that early Thursday morning [date not specified] unidentified individuals handed security agents a sheet of paper with a very accurate drawing of the area destroyed by the fire. It contained a warning that the perpetrators were capable of destroying the entire EPASA building.

He added that the newspaper continues to receive threatening calls and a sister publishing house reported having received threats that bombs would be planted should it continue to print temporarily the newspapers EL PANAMA AMERICA and CRITICA LIBRE.

He said an advertising agency, where three EPASA employees were working, received similar threats that forced the agency to evacuate its personnel and call the authorities.

### PTJ Authorities Discover Arsenal in Curundu

*PA0502141592 Panama City EL PANAMA AMERICA in Spanish 4 Feb 92 p 1a*

[By Orlando Mendieta C.]

[Text] The Judicial Technical Police (PTJ) seized an arsenal of high-caliber weapons and arrested four citizens, including a former member of the Panama Defense Forces [FDP], after searching an auto repair shop in Curundu corregimiento on 3 February.

Reports obtained by this paper indicate that those arrested were former FDP Sergeant Cesar Bolivar Franco, who was under investigation for car theft; Pablo Branco Vasquez; and Miguel Saldana.

PTJ Director Jaime Abad pointed out that these individuals linked an active member of the Public Force to the arsenal. He was taken to the PTJ on the afternoon of 3 February for questioning.

Seven Soviet-made AK-47 rifles, several pistols, and more than 3,000 rounds of ammunition were seized. All the weapons were found inside the Pedro Miguel Auto Repair Shop across from the Juan Demostenes Arosemena Stadium.

The PTJ and Assistant District Attorney's Office carried out the search on 3 February after conducting a previous search in Chiriqui Province, specifically in Puerto Armuelles, Paso Canoa, and David. Intelligence reports had indicated the existence of weapons in those places, but the search produced nothing.

It was concluded that the weapons had been transferred to Panama City to be sold for $800 each by former soldier Bolivar Franco.

A source close to the investigation revealed that active members of the National Police and the defunct FDP in Chiriqui and Panama Provinces, including several of high rank, are under investigation by security organizations for their alleged involvement in gunrunning.

The 3 February weapons arsenal seizure coincides with a wave of explosions and bomb threats in Panama City and with the alleged existence of a plot to topple President Guillermo Endara.

### International Band Suspected in Stamp Forgery

*PA0502161392 Panama City EL PANAMA AMERICA in Spanish 4 Feb 92 p1a*

[Report by Juan M. Diaz]

[Text] Treasury Ministry officials disclosed on 3 February that an international band is supposed to be involved in the forgery of special fiscal stamps used in Panamanian passports. These stamps were discovered in several Panamanian consulates.

Rodrigo Esquivel, legal adviser of the General Revenue Directorate, noted that this stamp forgery case is believed to be linked to a similar case reported months ago involving an employee of the Comptroller General's Office.

He said that Treasury Ministry investigations have revealed that there is another "group of people" at the Public Registry Office who process government documents using forged fiscal stamps. One person has been arrested in connection with this crime.

He stressed that there is a large number of secret printing offices in the city that are involved in forging stamps. Esquivel noted, however, that the offices have been searched and no evidence linking them to the crime has been found.

He emphasized that the General Revenue Office has decided to change the fiscal stamps' format; their color and shape will be different. This is being done in an effort to remove the forged stamps from circulation. He stated that stamp forgery dates back more than 10 years and has resulted in millions of dollars in losses.

### Attorneys Reportedly Received Government Funds

*PA0602034192 Panama City CRITICA LIBRE in Spanish 5 Feb 92 pp 40, 26*

[Report by Florencio Galvez F.]

[Text] Attorney General Rogelio Cruz has submitted audit report number 48-91 on the use of three checks for 800,000 balboas to prosecutor Antonio Gonzalez Quintero. The checks were reportedly drawn against account number 04-72-0053-9 at the National Bank of Panama, known as the contingency fund [fondo de adelanto] of the Panama Defense Forces [FDP].

U.S. attorneys Raymond J. Takiff, Frank Rubino, Joaquin Fernandez, Neil Sonnet, and Steve Collins and Panamanian lawyer Ramon Arosemena are reportedly involved in the case summary.

According to documents from the Comptroller General's Office, the aforementioned lawyers "participated and received government funds." They are considered "equally responsible for crimes against the nation's funds, with the transfer of public funds from account number 04-72-0053-9 at the National Bank of Panama."

The document prepared by the Comptroller General's Office stated that the checks were signed "by Colonel Marcos Justines, former FDP chief of staff." Other judicial investigations revealed that former civilian officials close to deposed General Manuel Antonio Noriega could be allegedly involved in this crime, although efforts are being made to blame Justines alone, using him as a scapegoat.

Former Gen. Manuel Antonio Noriega has been charged with "illegally using government funds for his defense in a judicial process in the United States, funds which should have come from his private accounts," the report concluded.

### Former Policemen Meet To Discuss Benefits

*PA0502232692 Panama City Circuito RPC Television in Spanish 2300 GMT 4 Feb 92*

[Report by Fernando Kant]

[Text] Former military officers requested an informal meeting with Nationalist Liberal Republican Movement [MOLIRENA] Secretary General Luis Guillermo Casco Arias. The former military officers were dismissed during the National Police reorganization, and they say they are currently unemployed. During the informal meeting the former military officers stated their views to Dr. Casco Arias, who confined himself to hearing them out without promising anything.

[Begin Casco recording] They wanted to discuss some of the benefits that are still pending. They talked about these issues and discussed other benefits, including retirement benefits and some vacations that are still pending payment. This was only done as part of an effort to have them become part of our democratic life. A feeling of uncertainty evidently prevails among the people involved in the latest action. Their actions have no repercussions on the population. They are not supported by anyone. I think it is an absurd and disorganized thing. [end recording]

Former Colonel Julian Melo Borbua, spokesman and organizer of the meeting, said a large number of former members of the defunct Panama Defense Forces and current Public Force members have continually voiced their displeasure with the current government. He denied that these persons had perpetrated the latest terrorist acts.

[Begin Melo recording] The private sector does not find a place for them or give them jobs, and the current government does not give them jobs. They are treated like lepers. Several months ago I told the media that the government should pay attention to this problem. If the private sector and the current government do not accept these people, they will be unable to feed their families. They will feel cornered, and the situation will explode.

This government will not be ousted by the military or as a result of a military coup. That will not happen in Panama. The government should pay attention because it can be ousted by popular movements for failing to meet the peoples' basic needs. The country cannot be ruled merely from a desk. [end recording]

### Business Group Lauds Outcome of Financial Talks

*PA0502234492 Panama City EL PANAMA AMERICA in Spanish 5 Feb 92 p2A*

[Communique issued by the Panamanian Chamber of Commerce, Industries, and Agriculture in Panama City; date not given]

[Text] The Panamanian Chamber of Commerce, Industries, and Agriculture expresses its satisfaction with the government's successful culmination of negotiations with international financial institutions. The negotiations will have an important impact on access to new sources of credit.

As a complement to the normalization of relations between Panama and the said institutions, it was necessary to implement the "National Strategy for Development and Modernization of the Economy" to gradually reduce the anomalies hampering the local ecomony's growth and development.

We strongly believe that all Panamanians, in both the public and private sectors, must promote and support the measures proposed in the plan to strengthen our economy and find real and effective solutions to the grave problems facing the country. The way to achieve this is to attract investments that create jobs for needy Panamanians.

After two years of democratic rule, let us redouble our hopes for a more promising future, filled with welfare and progress for the Panamanian family.

## Argentina

### Transfer of Missile Plant to CNAE Confirmed

*PY0502194892 Buenos Aires TELAM in Spanish 1805 GMT 5 Feb 92*

[Excerpt] Buenos Aires, 5 Feb (TELAM)—Defense Minister Antonio Erman Gonzalez today confirmed that the plant where the motors for the Condor-2 missile were manufactured, in Falda del Carmen, Cordoba Province, will be "transferred" on 10 February to the National Space Activities Commission (CNAE).

He reiterated that the U.S. Government "did not pressure" the government to cancel the Condor-2 program. We are thus "participating in the international order." He added: "We want the disarmament of all nations that have weapons of mass destruction, including atomic and chemical weapons and long range missiles; therefore, we are participating in this new international order and assuming this new responsibility."

Gonzalez made these remarks at the end of a ceremony commemorating the creation of the Joint Staff, and he clarified that "the deactivation and the cessation of all research related to this project was ordered last year by the executive branch."

He stated that the current phase includes "the revision of the inventory at Falda del Carmen and the other installations that participated in the project, so that they can be transferred to the CNAE," which will now, in accordance with the same decree, "take charge of all research." [passage omitted]

### Corrientes Province Placed Under Federal Control

*PY0602020692 Buenos Aires BUENOS AIRES HERALD in English 5 Feb 92 p 1*

[Text] (NA-DYN)—The government decreed last night to place the province of Corrientes under federal control after a new meeting by the provincial Electoral College failed to choose a governor. Corrientes is the only Argentine state without a governor after last year's mid-term elections.

Democratic Centre Union (UCeDe) Deputy Francisco Duranona y Vedia was appointed federal trustee in charge of implementing new polls in about 90 days "within a framework of complete transparence."

The news came after a meeting between Interior Minister Jose Luis Manzano, Autonomous-Liberal Pact (PAL) leader Senator Jose Antonio Feris, Justicialist Party trustee Cesar Arias and Environment Secretary Maria Julia Alsogaray.

Duranona y Vedia, who was at press time holding a meeting with President Carlos Menem at the Olivos presidential residence, is scheduled to be sworn in tomorrow during a ceremony presided by Interior Ministry Institutional Affairs Secretary Adelina Dalesio de Viola.

### Menendez Named Head of Pensioner Health Service

*PY0502002492 Buenos Aires BUENOS AIRES HERALD in English 4 Feb 92 p 11*

[Text] (NA-DYN)—Matilde Menendez, who already held the posts of Health Undersecretary and federal trustee in Tierra del Fuego under the Justicialist administration, was sworn in yesterday as head of the pensioners' health service (PAMI) [Comprehensive Medical Plan], which thus began working normally after being several months in the hands of federal trustee Miguel Nazur.

Menendez announced that her first decision will be to investigate all the documents signed by Nazur, who was removed from the post over alleged irregularities in direct contracts signed by the service company Asersa.

Health Minister Julio Cesar Araoz presided over the ceremony, in which the members of her board were also sworn in. Most of them are pensioners. Araoz announced that the Asersa contracts will be scrapped.

Apart from the repeated complaints from users against the services Asersa rendered, the ministry discovered that at least four of the company's managers were also officials at PAMI.

A recent official report states that Asersa was working during Nazur's period in office as "a parallel PAMI." On top of that, several PAMI doctors resigned and started working in Asersa, including the heads of the auditors' departments and the official in charge of PAMI invoicing.

### 'Uneasiness' Over 'Taiwan Operation' Discussed

*PY0402112292 Buenos Aires CLARIN in Spanish 2 Feb 92 p 12*

[Text] A climate of uneasiness can be sensed at the PRC Embassy following government approval of an organization, which has still not been identified, to open a commercial office in Taiwan. The unrest among diplomats is understandable because, according to preliminary reports, this initiative will pave the way for the resumption of relations with Chiang Kai-Shek's China. Argentina severed relations with Taiwan in 1971 when it recognized the Beijing government.

The Chinese maintain that there is nothing wrong with doing business (and the rest of the world agrees with them). What triggered the alert, however, was the fact that an extremely sensitive issue was left in the hands of a phantom enterprise and, moreover, that the operation would be handled under the protection of the government. Another curious point that arouses interest is that, until now, nobody has explained where the funds to set up this office, which will be headed by Ambassador Enrique Ros, will come from.

The so-called Taiwan Operation appeared as a private initiative, although it obviously has the government's

support. Jorge Telerman, head of the Foreign Ministry Institutional Affairs Department, was somewhat evasive during a chat with CLARIN. He did tell us, however, that the people who were initially going to finance this representation had backed out. He also explained that other people had taken over these functions but chose not to identify them.

In the opinion of Foreign Ministry experts, this is a case of parallel diplomacy that "adversely affects relations with the PRC." Comments in the corridors of 1100 Reconquista Street (headquarters of the Foreign Ministry) indicate that Jorge Antonio, a businessman associated with President Carlos Menem, is behind the operation.

Antonio's interest in formally establishing commercial relations is nothing new nor secret: For more than one year now, he has been insisting on the need to expedite trade with one of the four dragons of Southeast Asia. Antonio's son Jaime (who was disqualified due to bankruptcy in the tender of the Buenos Aires Hippodrome) is already working in Taipei.

An episode shook the Chinese on 9 January, when President Menem received Ambassador Ros at the request of the Foreign Ministry. What was the reason for the visit? The ambassador went to bid farewell and to obtain the president's approval to assume his post at the commercial office in Taipei. The decision was questioned by some of his career colleagues who, somewhat annoyed, said: "He has merely agreed to head an odd sort of embassy prior to his compulsory retirement scheduled for June."

Ros became known during the Malvinas war when he was the right-hand man of Nicanor Costa Mendez, the foreign minister at that time. He then served in Spain and Japan, among other countries, until he ended up at the Council of Ambassadors, a consulting body that does not have the approval of Foreign Minister Guido di Tella.

Although the Chinese were well aware of what was going on, they did nothing until 12 January, when CLARIN reported the meeting at Government House. The report states that the next day PRC Commercial Attache Zhijan Wang visited the Foreign Ministry to inquire about the case. He was told time and again that there were no plans to restore bilateral relations and that it was only a private initiative to strengthen commercial exchange.

Wang allegedly accepted the explanations but probably recalled that last July an Argentine delegation traveled secretly to Taiwan. The delegation was headed by Deputy Roberto Fernandez (vice president of the Defense Commission). Fausto Lopez, currently the third in the Navy chain of command, among others, also traveled to Taiwan on that occasion. Antonio's plans were already known, and the delegation might have been an advance party.

The delegation headed by Fernandez, whom some people link to the Painted Faces group of the Army, tried to convince the Taiwanese Government to purchase two of the latest generation Type 42 missile-carrying frigates, which are currently out of service due to a lack of spare parts. Proposals were also made for the purchase of two Tyssen 1700 submarines (conventional, but with nuclear capability) built at the Domec-Garcia shipyards.

When they found out about it, the screams of the PRC authorities could be heard on the border of the former USSR. In diplomatic language, it was said that the sale of this type of war materiel, under no circumstances, contributed to the strategic balance of the region. All this took place at the time when the anguish of the Foreign Ministry was increasing due to the PRC's refusal to buy a record quantity of Argentine wheat.

Anyone who knows anything about business will tell you that the opening of the office in Taipei will require an investment of at least $50,000 per month. The question is who will provide this money, taking into account that the foundation that will sponsor this initiative is still in the makings. Some believe that Antonio, moved by legitimate commercials interests, will sponsor the initiative.

Other sources maintain that the resources will be obtained from a bank account that contains secret funds, adding that Antonio backed out of the initiative when one of his sons was dismissed as one of the main leaders of the delegation and was replaced by Ambassador Ros.

Why Ros? According to Telerman, this ambassador, who is about to retire, is well acquainted with the way the East does business because he served in Japan; but, more than anything, he is a competent official capable of handling things without hurting the feelings of the Chinese. In other words, Ros would prevent any undesirable deviation of the objectives for which this commercial office is being established. Regarding a possible resumption of ties with Taiwan, Telerman categorically said: "No way. The PRC authorities may rest assured."

Senior officials of the Foreign Ministry (known as The Russia House, but which is not named after John Le Carre's novel) complain about the lack of transparency surrounding the operation and wonder why Alieto Guadagni (secretary for international economic relations) or Juan Schiaretti (industry and commerce secretary) did not participate in it. Moreover, they are concerned over the fact that the trade chambers that handle trade between Argentina and Taiwan were also excluded from the operation. It has also been learned that during mid-February a delegation of important representatives of the Taiwanese business sector will visit Argentina.

Since Thursday [not further specified], unrest has become entrenched among the officials who are watching the Taiwan Operation out of the corners of their eyes. On that same date, it was learned that a private foundation was promoting through local municipalities, for $1,500 per head, the right of residence to retired Japanese citizens and the possible immigration of

Hong Kong citizens who would invest capital. In this case, and to avoid further headaches, Foreign Ministry authorities said that the initiative did not have government approval.

In the meantime, it still remains to be seen who is behind the Taiwan Operation that is in the hands of an, as yet, nonexistent foundation.

[Buenos Aires CLARIN in Spanish on 3 Feb 92 p 2 carries a 100-word report on a communique issued by the Argentine Foreign Ministry that states: "The initiative of private businessmen to establish a commercial office in Taiwan, for which purpose Ambassador Enrique Ros is negotiating in Southeast Asia, will only be implemented respecting the historic principles of Argentine foreign policy. These principles include the nonrecognition of Taiwan and an absolute ban on selling that country war materiel." The communique adds that any private sector is entitled to deal with Taiwan "as long as they do not affect relations with the PRC." The communique ends by stating that Ros' expenses have been covered by the Foreign Ministry, which will also pay for establishing the office in Taiwan.]

### Drug Enforcement Agreement Signed With Guatemala

*PY0502205292 Buenos Aires LA PRENSA in Spanish 1 Feb 92 p 3*

[Text] Alberto Lestelle, secretary for the prevention of drug abuse and for the antinarcotics struggle, and Guatemalan President Elias Serrano have signed an agreement through which Argentina will send experts to train 150 Guatemalan officials in drug enforcement.

Lestelle emphasized that, as far as drug enforcement goes, "These are crucial years for our continent," warning that "governments that fail to adopt a firm attitude toward this scourge run the risk of having government members paid and supported by the drug traffickers within a few years."

After the ceremony at Government House in Guatemala, which was attended by members of the Guatemalan cabinet and the Argentine ambassador in Guatemala, Juan Arias Uriburu, Lestelle explained that among the Guatemalan officials who will receive the training are 40 members of security organizations.

### * Influence Peddling by Menem Associates Reported

*92SM0227A Buenos Aires SOMOS in Spanish 6 Jan 92 pp 10-13*

[Report by Jorge Grecco and Marcela Luza]

[Text] A group of government and Justicialist Party officials are accused of meddling, for their own personal profit, in a project to build 50 compressed gas service stations. The people implicated are Vicco, Manzano, the Yoma brothers, and Roberto Garcia. The CORIMEC firm was allegedly involved, and worked to get the construction job.

Eight national deputies and a federal judge have decided to investigate in depth the responsibilities of a number of government officials in what might be called—at least—"influence peddling" in the project to build 50 GNC [Compressed Natural Gas] service stations, using funding from Italy. The case threatens to become a major scandal, unfortunately for the potential protagonists, rivalling the most talked-about charges of corruption in Argentina.

On 1 July 1991, Humberto Kele (Munir Menem's private secretary) received a strange letter signed by Alberto Aizpuru (vice president of the AMCTA [Mutual Association of Taxicab Drivers]. The letter was addressed to President Carlos Menem, and after describing the project to build service stations and the difficulties it has encountered, it contained a strong accusation: "...irregularities were committed in parts of the government, and the most serious (are) other actions (in which) officials and legislators of the Justicialist Party very close to Your Excellency are involved—I have documentation proving this. In addition, as an example I will tell you that the council of ministers of the president of Italy, Dr. Andreotti, sent a communication to the ambassador from Italy, asking that he be informed about the collateral guarantee. An official (your secretary) and a person close to the Italian companies 'Corimex-Ducatti' (sic) gave dubious and incorrect information." The letter was again presented on 31 July, and at that time an employee of the Presidential Protocol Office, Horacio Tarasone, signed the receipt. Neither letter ever reached President Menem, and the excuse was the same in both cases: they had gotten lost.

Aizpuru, though, did not try this approach without first making other attempts. On 1 May 1991 he had sent another letter marked "confidential-reserved" to national Deputy Roberto Garcia (president of the Justicialist Party), in which he provided more information about his charge.

Garcia must have been stunned to read the following paragraphs:

"... What is most serious is the pressure exercised by Enrique Garcia (the brother of Roberto Garcia), then president of the Mutual Association (AMCTA) and Juan C. Otero, its legal representative, who in your name and that of Deputy (Jose Luis) Manzano, told the contracting firm MAT (Macchine Alimentari Transporti S.R.L.) of Italy that if they were guaranteed payment in writing, backed by the Banco Hispano, the guarantees would be quickly forthcoming. According to testimony and documentation which I have supporting this statement, in April 1990 President E. Garcia and legal representative Juan C. Otero went to Italy, with their fares and travel expenses paid by the firm MAT, which is also liable for engaging in unfair practices."

"I have been informed that at the Justicialist Party headquarters on Avenida Callao, you and Deputy Manzano told E. Garcia and A. Torres (former legal representative of AMCTA and the promoter of the project) to

go to the third floor of Florida 981 in the Federal Capital. This is the private office of the brothers Omar, Emir, and Carim Yoma. The latter two are officials in the national government, serving as adviser to the president and secretary of state for special affairs in the Ministry of Foreign Relations. At that meeting A. Torres spoke of technical aspects, and E. Garcia said that you and Deputy Manzano would handle the issue of the distribution of commissions, in response to a question Emir Yoma asked about the commissions. He added that it would have to be 50 percent divided by the groups, and that would resolve the problem of guarantees."

"In the meantime, the CORIMEX (sic) firm of Italy appeared on the scene, whose owners are connected with Ambassador Ruckauf. Deputy Manzano and Vicco, the president's private secretary, put pressure on MAT to get involved in the project...."

"Otero, representing you, met in the Hotel Alvear with Maximo del Lago (sic), a representative of CORIMEX (sic), then at other meetings E. Garcia and Dr. Zingoni participated for the purpose—according to my information—of putting pressure on MAT as I said earlier, and ultimately, rescinding the contract...."

These allegations are now in the possession of Radical Deputy Juan Pablo Baylac who, with seven other legislators, has introduced a resolution asking that the Executive "please inform" the Lower Chamber about the charges mentioned above. In a parallel proceeding, Federal Judge Miguel Pons is currently investigating the involvement of a Ministry of the Interior official (under Mera Figueroa) in signing the state guarantee required for the project. The former official is Adalberto Orbiso, who was head of the Office of Accounting and Finance in the Interior Ministry. Pons will obviously also have to ascertain the authenticity of the charges, which, as was said, implicate numerous Justicialist Party politicians.

**The History of This Deal**

SOMOS obtained access to a voluminous file which, with documented precision, describes the ins and outs of the project to build 50 GNC service stations in the Argentine Republic during the past three years.

A brief history of this deal might be told as follows:

On 3 November 1987 the government declared the official liquid fuel replacement program for the automotive transport sector a program of national interest. On 29 January 1988 the department of energy established guidelines for determining the official GNC sales price.

Armando Torres, the AMCTA representative, was backing a project to build 50 GNC service stations, thus facilitating fuel purchases by taxi drivers. As this gas is cheaper than gasoline, success was almost a certainty. Torres had interested the AMCTA in the proposal and began to arrange for Italian funding under the special treaties signed with Italy. In September 1988 Torres went to Italy for the first time, and on 28 September he signed a "loan agreement" with a banking consortium led by Overland Trust Bank of Switerzland for 110 million German marks. He also signed a contract with MAT International of Italy to build these "turnkey" service stations. On 15 February 1989, Torres signed a preliminary contract with the Agip Argentina S.A. petroleum company (which belongs to the Italian state holding, ENI) for this firm to handle the commercial operation and act as guarantor, protecting the assets until full payment of the credit.

In July 1989 a feasibility study was done which Agip approved; its results were reported to the participating banks and to the public agency SACE (Sezione Speciale per L'Ascicurazione Al Credito All Sportazione) of the Italian government. The department of energy—whose head was then Julio Cesar Araoz—stated that the project was feasible financially, and had that organization's support. On 22 September the Banco Hispano Americano of Madrid proposed to pay 50 percent of the funding and requested to act as Banking Agent.

On 16 November 1989 the then Argentine ambassador to Italy, Carlos Ruckauf, told the Italian government that the project "is a national priority." On 19 December, Ruckauf asked Carim Yoma to tell the Italian ambassador to Argentina, Ludovico Incisa di Cammeranna, that the project "complies with current legal provisions." On 5 January 1990, Carim Yoma asked Secretary of Energy Julio Cesar Araoz for an official opinion on the project, and on 15 January the present minister of public health and social action gave a favorable ruling. Carim then told the Italian ambassador that the project promotes "the goals pursued and has the support of the Argentine national government."

On 24 July 1990, the deputy undersecretary of energy in the province of Formosa and the General Division of Accounting and Finance of the Ministry of the Interior refused to issue the required guarantee. One day later, the ministerial organization issued the guarantee. On 30 July, the Marval O'Farrell study issued a favorable legal opinion concerning the project. On 8 August, SACE gave its full concurrence and issued an international insurance policy. After this transaction, Marval O'Farrell told the Banco Hispano Americano that the guarantee issued by the Division of Accounting and Finance was not valid. This change in opinion from the study does not agree with the statements contained in the first report signed by Drs. Miguel O'Farrell and Antonio Boggiano (currently Supreme Court minister): "The contracts and guarantees comply with Argentine law, since in the international sphere, the declaration contained in the guarantee is binding. According to this declaration, the General Division of Accounting and Finance of the Ministry of the Interior is duly authorized by virtue of Article 31 of the Constitution, by Argentine laws, by the existing regulations and by the decree of national interest to issue this guarantee." From that moment on, the people in charge of the project began a lengthy pilgrimage through various levels of the executive and

legislative branches to try to resolve the issue. The project entered a murky area, and accusations began to surface.

**Harsh Charges**

The people initially in charge of the project launched their main attacks against Menem's private secretary, Miguel Angel Vicco; the minister of the interior, Jose Luis Manzano, national deputy and president of the Justicialist Party, Roberto Garcia; and the president's former brothers-in-law, Emir and Carim Yoma. Vicco was accused of meeting in the Hotel Alvear with Massimo dal Lago (CORIMEC's representative in Argentina) and together working out a way to move the project from MAT to CORIMEC. They add that it was Vicco in person who told the Italian ambassador to Argentina that the project would be moved to the Argentine Automobile Club and the builder would be CORIMEC. Manzano is cited as the person responsible for deciding who would speed up the guarantee and telling Armando Torres to go to the offices at Florida 981—the Yoma brothers' property—to settle the matter. It was allegedly during this meeting that they discussed the percentages of commissions that were to be charged to resolve the guarantees issue. Roberto Garcia is accused of acting as Manzano's "agent," and the Yoma brothers of attempting to obtain commissions.

As stated earlier, each of these allegations is being evaluated in the courts. In addition, in a general way they are contained in an extensive request for information drafted by Deputy Juan Pablo Baylac.

The names and job titles of the people involved raise this affair's repercussions to unimaginable heights, as they are, or were, all members of the government or the Justicialist Party.

Deputy Roberto Garcia made only a lukewarm defense of his position when the request of his colleague Baylac was made public. Nothing has been heard from the others implicated.

With the "Vicco case" brewing and Jorge Triaca still with preventive detention hanging over his head, the government now has to deal with another new accusation about the behavior of its officials. This time the fallout reaches a large number of people, though of course only some of them are novices in the field.

The government did not spend the final days of 1991 in peace and tranquility. The first few days of 1992 threaten to be similar. But blaming bad luck upon the change in the year now sounds almost naive. The problem obviously lies elsewhere.

**The Investigation**

On 11 December 1991, the clerk of the Chamber of Deputies stamped the eight pages of a draft resolution in which a group of Radical legislators asked the Executive to answer 38 questions relating to the project to build 50 service stations.

National Deputy Juan Pablo Baylac, the person behind the information request, asks the following questions, among others:

"Whether it is true that the (Italian) ambassador to our country was in contact with Mr. Miguel Angel Vicco (sic), private secretary of the president of the nation, who told him this project would be moved to the Argentine Automobile Club with another construction firm. Whether this was the reason why the Ministry of the Interior decided that the guarantee issued lacked validity as backing...."

"If it is true that CORIMEC was interested in the project, and offered to build the GNC service stations."

"If it is true that CORIMEC's representative, Dr. Massimo del Lago, between July and October 1990, along with Mario Falak and Miguel Angel Vicco, met in the Hotel Alvear Palace with the president of AMCTA, Mr. Enrique Garcia and Drs. Juan C. Otero and Norberto Zingoni, for the purpose of altering the orientation of the project designed by AMCTA officials and their general representative and technical director, Armando Torres."

**The Castiglioni Brothers: CORIMEC Deals**

The Castiglioni brothers (Gianfranco and Claudio) usually say they hold only a small stock portfolio—not above 10 percent—in CORIMEC. They add that they are minority shareholders and are not at all actively involved in this business.

The Castiglioni brothers are well known in Argentina, much to their chagrin: they are the ones who gave the famous Ferrari as a gift to President Carlos Menem. CORIMEC, insofar as reputation is concerned, does not lag far behind; its name is well known, most recently in the issue of airport remodelling, environmental preservation of 2000 hectares in Corrientes, and the project to build tourist hotels. Castgilioni and CORIMEC, then, are always a more than explosive combination.

When the former secretary of planning, Vittorio Orsi, made the charge about the remodelling of seven airports—it has apparently taken 10 years—the press reported the ties connecting this to the Castilgioni-Braghieri brothers (of the Ferrari fame) and Miguel Angel Vicco, Francisco "Paco" Mayorga, and Alejandro Jose Basualdo (brother of the former vice minister of defense, Juan Jose Basualdo) and other officials or people close to officials. Then the media, especially "Page 12," reported on the most controversial aspects of the project to build two four-star luxury hotels in Cordoba and Mendoza by the omnipresent CORIMEC.

The contract between CORIMEC and the Argentine firm Kolding S.A.—a local company involved in the

project—was signed on 21 August 1990, but it just became fully known in early October 1991.

Still, in addition to those involved, there was one group who learned about the operation almost immediately. On 3 October 1990 the Banco Hispano Americano sent a fax to AMCTA, in which it agreed to act as "guarantor" for an $89 million loan granted by a group of banks to Kolding for the "turnkey" construction of "two four-star hotels supplied by Co.RI.MEC ITALIANA SPA, Viale Restelli 4, 20124 Milan, Italy."

This caused some surprise at AMCTA but the explanation arrived a few minutes later. The Bank's director, Ignacio Benavides, sent another fax in which he said he was sending a new "page 1," and asked earnestly that "you make no use of the information which, due to an error on our part, was contained on the page sent earlier."

## Brazil

### Bornhausen on New Role as Presidency Secretary

*PY0502022092 Rio de Janeiro O GLOBO in Portuguese 2 Feb 92 p 3*

[Interview with Jorge Bornhausen, secretary general-designate of the Presidency, by Jorge Bastos Moreno; place and date not given]

[Text] [Moreno] Has your role in the administration already been defined?

[Bornhausen] It has been clearly defined. The secretary general of the Presidency will be in charge of all current bureaucratic functions and of the administrative command and its legal support. The minister-chief of the Secretariat General of the Presidency will perform the Planalto Palace political coordination. I will not only assist and support the president in the palace but will also assist and support the ministers, particularly the government political coordinator, Minister Jarbas Passarinho.

[Moreno] Will your functions clash with Minister Passarinho's?

[Bornhausen] No, because when I accepted President Collor's invitation, I did so in Minister Passarinho's presence. It was made very clear at the time that Minister Passarinho's duty is to coordinate and mine is to support.

[Moreno] Minister Passarinho himself said that you will have a support function. To whom will you report, the president of the Republic or the justice minister?

[Bornhausen] To both, naturally. I am sure it must be so. The president is the highest authority, but the political coordinator, who was appointed by the president, is Minister Jarbas Passarinho. Therefore, I will assist both.

[Moreno] Do you plan to maintain political contact with Congress?

[Bornhausen] I spent eight years in the Senate and, whenever requested by the political coordinator, I also will assist him by making contacts with the national Congress.

[Moreno] Which is the most difficult mission: to consolidate congressional support for the president or to fulfill your duties without upsetting the justice minister?

[Bornhausen] We both have the responsibility to make political integration between the executive and legislative branches a reality. His share of responsibility, however, is larger than mine.

[Moreno] In addition to splitting the Labor and Social Welfare Ministry, what other administrative reform measures will be adopted to take into consideration the parties' interests and thus consolidate congressional support for the president?

[Bornhausen] The reform is being studied, but only one aspect of it has been really defined: The Secretariat General of the Presidency will be created, and there will be a minister-chief of the Secretariat General of the Presidency. The splitting of the Labor and Social Welfare Ministry is being studied, but the president of the Republic has not made a final decision about it.

[Moreno] Why not?

[Bornhausen] Because it still must be decided whether the splitting would help improve the administration's effectiveness.

[Moreno] The president is considered a politically isolated man. Will you try to intensify contacts between the president and the politicians?

[Bornhausen] I believe it is clear that to make my work yield good results, there must be a permanent link between the president and the political arena, particularly with those who support him.

[Moreno] The president maintains administrative relations, with political connotations, with Governor Leonel Brizola. These relations were supported by former Minister Alceni Guerra. Do you plan to persist in this area?

[Bornhausen] I believe that the president's relations with the governors and vice versa are in the interest of the country. We cannot think of a state or federal government that does not talk, that does not analyze the problems of each of the federation's units. Therefore, to do well my job I must consider the possibility of maintaining relations with all governors.

[Moreno] Do you intend to contact the opposition parties?

[Bornhausen] Of course I do, and I intend to do it immediately. I want to talk with those who will vote in Congress and discuss whether the Secretariat General of the Presidency is necessary. Fortunately, I have great friends among talented opposition politicians.

[Moreno] Such as who?

[Bornhausen] To cite only one, such as Chamber of Deputies Chairman Ibsen Pinheiro.

[Moreno] Which, among the opposition parties you want to contact, will be the first?

[Bornhausen] We must contact all of them, not to attract or divide, but to conduct a dialogue and achieve the broader goals Brazil needs.

[Moreno] Until recently, the president was obsessed with obtaining the support of the Brazilian Social Democracy Party [PSDB]. Will you try to involve the tucanos [PSDB members] in the government?

[Bornhausen] I will never involve them in the government. I will always talk, dialogue with them. I respect the PSDB's main leaders very much.

[Moreno] With whom will you talk in the PMDB [Brazilian Democratic Movement Party]—Antonio Fleury or Orestes Quercia?

[Bornhausen] Considering the mission that I will probably have, I will have to talk with both of them because one of them is the party president and the other is a state governor. I will have to talk with the state governor because of the functions of a government secretariat.

[Moreno] Did the PFL [Liberal Front Party] adhere to the government, or did the government adhere to the PFL?

[Bornhausen] Even though I feel deep respect for PRN [National Reconstruction Party] members, the president's party does not have enough members to have a majority in Congress and to guarantee that the country will be governable. Consequently, the president had to look for other groups. He has shown that he wants full PFL support. I believe he should try to obtain the support of other parties, not to divide them but to secure their adherence as completely as possible.

[Moreno] Are you trying to win the support of former President Sarney, who is a member of the PMDB, which has control over part of the PFL?

[Bornhausen] First, I have to respect a former president. I should never call him to ask him to join another party. The second problem has to do with my friendship with him. I left the Education Ministry without any problems, and I never broke my ties of friendship with former President Sarney. Whenever possible, I will talk with him.

[Moreno] Do you intend to contact businessmen who are now far from the government as a result of the president's systematic criticism of them?

[Bornhausen] Not necessarily, but the civilian household will have to contact all segments of society. I am talking about the civilian household because the Secretariat of Government is equivalent to the old civilian household. The Secretariat is part of that context of relations, of an opening of the Government Palace; it performs as a Government Palace mediator for the president.

[Moreno] Will work toward a national understanding resume?

[Bornhausen] That matter is not under my jurisdiction. Only the president will be able to make a decision in this regard. He has already presented his agenda for a consensus.

[Moreno] Do you believe that time will help you overcome PFL opposition to your appointment?

[Bornhausen] I believe that, to my own joy, no one has registered a moral complaint against me. I have been a public official for 25 years, and my credibility and honesty are the most valuable achievements of these years.

[Moreno] Is the PFL a party that changes according to the situation? Until recently, the party held an independent position. After the cabinet changes, however, the party seems to have undergone a change.

[Bornhausen] My work as a public official has never changed to suit the circumstances. I do not believe the government will obtain support through such methods. I believe the path is that of credibility. Obviously, in calling a party or some parties to share the government, the president should pick the party members whom he believes to be properly qualified to share responsibilities.

[Moreno] Will you continue to uphold the parliamentary system of government, even as an assistant to political coordinator Jarbas Passarinho, who supports the presidential system of government?

[Bornhausen] I tried to clarify the subject during a conversation with President Collor and Minister Passarinho. I told them that I have traditionally upheld the parliamentary system of government and that I believe it is the best form of government for the country.

[Moreno] What was their reaction?

[Bornhausen] The president reiterated his position in favor of the parliamentary system of government. For his part, the minister upheld the presidential system of government.

[Moreno] Will you advocate immediate implementation of the parliamentary system of government?

[Bornhausen] No. I have always advocated implementation of the constitutional timetable, which provides for a plebiscite in 1993. I do believe, however, that the new president should take over within the parliamentary system of government.

### Meets PTB Leader

*PY0502133492 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 5 Feb 92*

[Text] Brazilian Labor Party [PTB] leader Gastone Righi met with the secretary general of the Presidency and formally conveyed the support of the bloc to which his party belongs to President Fernando Collor. This bloc is made up of the PTB, the PDS [Social Democratic Party], the PL [Liberal Party], and the PDC [Christian Democratic Party].

Deputy Gastone Righi and Secretary General Jorge Bornhausen stated that these talks show that the government is willing to negotiate with politicians. According to Bornhausen, the meeting served to obtain key support from the PTB's, especially for the constitutional reform that the executive branch is pushing through Congress.

Bornhausen will begin a series of contacts this week with politicians, businessmen, and labor leaders throughout the country.

### Attempted Kidnapping of U.S. Consul Reported

*PY0502164092 Madrid EFE in Spanish 1553 GMT 5 Feb 92*

[Text] Rio de Janeiro, 5 Feb (EFE)—The local newspaper O GLOBO reported today that a man who claimed to be a policeman attempted to kidnap Jeffrey G. Peterson, the U.S. consul in Rio de Janeiro.

Citing police sources, O GLOBO reports that Peterson was detained on the night of 3 February as he was driving his car in Barra da Tijuca, a fashionable neighborhood approximately 15 km from downtown Rio de Janeiro. A man driving another car forced Peterson to stop and, after identifying himself as a policeman, handcuffed the diplomat.

The O GLOBO sources said that when two plainclothes detectives approached them, the presumed abductor pointed a gun and ordered the two policemen to go away. Then the man immediately gave up his attempt to kidnap Peterson, whom he released before quickly fleeing the area.

The U.S. Consulate in Rio de Janeiro has declined to comment on the case, but admitted that its official "was involved in an incident." A spokesman for the U.S. Consulate in Rio de Janeiro said: "It is the Consulate's policy not to comment on police investigations that are under way or on matters that would affect the security of either the Consulate or its staff."

### Company Calls Claim It Aided Iraq 'Fantasy'

*PY0502171692 Rio de Janeiro O GLOBO in Portuguese 4 Feb 92 p 4*

[Text] Sao Paulo—Avibras [Avibras Aerospace Industry, Inc.] yesterday denied that it taught Iraq everything on ballistics, warheads, and arms design, as U.S. writer Kenneth Timmerman wrote in his book "The Death Lobby" [book title in English]. According to Avibras Public Relations Manager Roberto Lopes, Iraqis did visit the facilities in Sao Jose dos Campos, but they did not have the training to understand what was being taught.

The Mendez Junior construction company in Belo Horizonte labeled the writer's allegations concerning its activities in Iraq as fantasy. The company denied having participated in Saddam Husayn's nuclear program, stating that it had been building a railroad, a highway, and a siphon on the Euphrates River.

### Distribution of Reactors Among Military Viewed

*PY0502175492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 92 p 13*

[Excerpts] The uranium reactor controlled by graphite that the Army wants to build in Guaratiba, Rio de Janeiro, is just one of eight on a list included in a report issued by the work group of the National Nuclear Energy Program (Pronen), which establishes Brazilian priorities in this field. The report was sent to the Secretariat for Strategic Affairs during the second half of 1991. It states that the Guaratiba reactor is allegedly the only one that will be entrusted to the Army; the other seven will be distributed among the Navy and the Air Force. AGENCIA O ESTADO (AE) has learned in Rio de Janeiro that the construction of most of them is scheduled to begin by 1995.

The work group is made up of representatives of the Armed Forces, the Science and Technology Secretariat, the National Commission for Nuclear Energy (CNEN), the Infrastructure Ministry, the Secretariat for Strategic Affairs, and the Foreign Ministry. The date on which the construction of the Army reactor will resume has not been specified, neither has its deadline for completion. [passage omitted]

In an interview published by O ESTADO on 2 February [date as published], Army Science and Technology Secretary General Romero Lepesqueur admitted that the Army is researching the reactors to obtain technological training for use with nuclear arms. The ministry yesterday released a letter in Brasilia criticizing the way the newspaper treated the subject, but it does not deny the intention revealed by Lepesqueur.

Lepesqueur has confirmed his statement: "I acknowledge that the interview was faithfully published by the newspaper," adding: "What was published in the interview is all I have to say." [passage omitted]

### * Sotero Vaz Comments on Defense of Amazon

*92WP0136Y Sao Paulo VEJA in Portuguese 22 Jan 92 pp 7-9*

[Interview with Brigadier General Thaumaturgo Sotero Vaz, reserve, by Policarpo Junior, in Manaus on 15 January 1992: "Waiting for War"]

[Text] Upon entering the reserve, the general says that the Amazon is in danger of being invaded by foreigners and that Brazil needs the atomic bomb.

Since the end of the military regime, Brazil has lost the habit of listening to the dissertations of hard-line military men, but the latter have not disappeared. Last week a typical example of that family—Brigadier General Thaumaturgo Sotero Vaz, 59—entered the reserve with some tough talk. Thaumaturgo made a name for himself last year by starting a quarrel with the national secretary for the environment, Jose Lutzenberger, in which the two called each other idiots for defending opposing views on the devastation of the Amazon. But Thaumaturgo has always been known among his uniformed colleagues for his radicalism. When he left the CIE (Army Intelligence Center) in 1982, the then (and current) governor of Amazonas, Gilberto Mestrinho, offered to "parachute" him into the position of mayor of Manaus, but the appointment was vetoed by the SNI [National Intelligence Service]. The intelligence community considered him too radical at the time—his appointment would have been a danger to the process of political relaxation.

On Monday of last week, at a ceremony held in Manaus in the presence of Minister of Army Carlos Tinoco, Police Chief Romeu Tuma, and Mestrinho, Thaumaturgo surrendered his position as chief of staff of the Amazon Military Command—the second-highest post in the region's hierarchy—to General Ariel Pereira da Fonseca, who has a more moderate image. That reduced Thaumaturgo's troops to a total of 37: his wife, seven children, 16 dogs, and 13 birds.

But "anyone who thinks he has gotten rid of me is very mistaken," warns the general, a pugnacious man measuring 1.65 meters in height. "Now I have more freedom to defend my ideas." On Wednesday, when he had been in the reserve for only two days, Thaumaturgo welcomed VEJA into his small but comfortable home in Manaus for a long interview during which we delved into the mind of a typical hard-liner who is far from being an exception and who is courageous enough to say whatever he thinks.

[Junior] The national secretary for the environment, Jose Lutzenberger, recently called you an idiot during a controversy that became famous. Were you offended?

[Sotero Vaz] Society today has changed so much that any man who upholds traditional values ends up being called an idiot. So I am one of them. My military career has been ruled by discipline. My greatest virtue is loyalty to my principles and my superiors. In the name of that loyalty, I have already swallowed a few insults here in the Amazon. The government decided to demarcate the Ianomani lands and blow up the landing strips where airplanes belonging to gold prospectors land, for example. Although I did not agree, I bit my tongue and the Army cooperated in those operations.

[Junior] What is your opinion of Lutzenberger?

[Sotero Vaz] He defended something that was unacceptable. He suggested that all decisions affecting the environment should satisfy the desires of foreign countries or be screened by them. That constitutes interference in our internal affairs, and I cannot accept that. Lutzenberger is the representative in Brazil of the Gaia Foundation, which is a kind of Anglo-American ecological oligarchy. That organization supports a new international ecological order. But its leaders are people totally involved in the destruction of the environment. One of them, for example, is Sir John Harvey-Jones, former president of a British chemical firm called ICI, which is one of those chiefly responsible for the hole in the ozone layer. The group's leadership also includes people who advocate restricted sovereignty for countries with regions of ecological value. Moreover, the Gaia Foundation is active in the United States in cooperation with a group called the Lucis Trust, which has ties with the United Nations. And that is the reason for our concern.

[Junior] And what has the United Nations got to do with it?

[Sotero Vaz] The Americans invaded Grenada, moved into Panama to seize a president, and united half the world against Saddam Husayn. All in the name of a supposed justice and world order. From the United Nations the United States received support for all those war operations. Imagine what would happen if tomorrow they started saying up there that the Brazilians were massacring the Ianomani people. Who can guarantee that in the name of human rights, foreign troops will not occupy the Amazon and declare the independence of the Ianomani state? Brazil would be stripped of a territory larger than Portugal. And the whole thing would certainly happen with UN support.

[Junior] Isn't that an exaggerated fear?

[Sotero Vaz] No, quite the contrary. Perhaps the answer can come from Nicaragua. A short while ago, military authorities talked with Commander Daniel Ortega, who was surprised by the Brazilian situation. He said that Nicaragua had faced the same problem when it created an Indian reservation on the country's border with Honduras. From that point on, the United Nations began backing the territory's independence with the support of dozens of ecological groups throughout the world. The only thing is that if that is the plan, their mentors would do well to cut the bull.

[Junior] Why?

[Sotero Vaz] If necessary, I and certainly a very large group of patriots will take up arms to defend our territory. In a possible war, the training of the Brazilian military and our knowledge of the jungle will give us superiority. Warfare in the jungle is a matter of hand-to-hand combat, and technology is no help.

[Junior] Do you consider war in the Amazon to be a real possibility?

[Sotero Vaz] Nothing is improbable since the fall of the Berlin Wall. Who can guarantee that some crackpot will not turn up tomorrow saying that the Amazon belongs to the world? And there are several ways to take over tyhe Amazon. The gentlest way is through international pressure by fake ecologists, and that is something we are witnessing now. There are those who are thinking of trying to occupy it on the grounds that it is an important drug route, as happened in Bolivia. The most radical option would be a military invasion: a war. We cannot rule out that possibility just because we prefer peace.

[Junior] Do you see Rio 92 as a weapon in that creative plan for occupying the Amazon?

[Sotero Vaz] In the first place, the world environmental conference will deal chiefly with the Amazon, and it is therefore scheduled to take place in the wrong city. It will serve only to promote Rio de Janeiro and lend prestige to Governor Leonel Brizola. We know that an attempt will be made to condemn Brazil for the way in which it administers its forest. And what is worse, so far we have had no news of anyone from this region being invited to participate in that event. That explains our fear—our concern. We are relying only on the good sense of President Collor and his advisers, and we hope that they will please defend us.

[Junior] Has it never entered your mind that the developed countries might be really interested in preserving the Amazon and not in occupying it militarily?

[Sotero Vaz] That is naive. This business of the destruction of the forest does not exist. It is a false rumor. It may indeed be the case that in the midst of the debate, there are people truly interested in preserving the forest. But the rich countries are using that argument to further their economic interests. Anyone not familiar with the Amazon has no notion of the region's economic potential. There is a strong interplay of interests behind a number of pseudoecologists. Most of the Ianomani Indian villages are sitting on huge mineral deposits: minerals that are important to the world, examples being cassiterite, gold, diamonds, niobium, molybdenum, and uranium. The rich countries want to keep some areas unexplored so that they can use them later when their own mineral reserves are exhausted. That is why the idea of limited sovereignty has its defenders. The German chancellor himself, Helmut Kohl, has said that the countries constituting the so-called Group of Seven need to reach an agreement with the Brazilian Government so that rules for the administration of the Amazon can be established.

[Junior] Considering that Collor ordered the demarcation of the Ianomani Reservation, is he also part of that international machination?

[Sotero Vaz] The area has not yet been demarcated.

[Junior] Does this mean that the process may still be reversed?

[Sotero Vaz] The president made the decision which, at the moment, seems most appropriate in view of Rio 92.

[Junior] Are you saying that the decree signed by President Collor may be amended as soon as Rio 92 is over?

[Sotero Vaz] Knowing the president's spirit of Brazilianism, I believe it will be.

[Junior] Don't you feel that the Indians deserve a reservation?

[Sotero Vaz] It is obvious that we must protect the Indians. What is wrong is the way in which armchair anthropologists want to do it. In the case of the Ianomanis, there are studies by serious anthropologists which question the fact that they are really nomads. If that is true, why do they need an area of 9.4 million hectares and, moreover, one bordering on Venezuela? The issue has not yet been thoroughly debated.

[Junior] Is the fact that the region is the center of world attention upsetting its development?

[Sotero Vaz] Unquestionably. All one need do is consider the matter of Highway BR-364. President George Bush, under the aegis of environmentalism, prevented Japan from granting the financing for construction of the road linking Acre and Peru. He claimed that the road would cause irreparable damage to the Amazon forest. Actually, Bush was simply defending his own commercial interests. If that road were completed, surplus Brazilian production would reach Asia at prices far below those of U.S. products. The Americans would lose that market. They are using preservationism to protect their profits. That uncontrolled capitalism is the planet's real problem.

[Junior] What solution do you advocate for the Amazon?

[Sotero Vaz] I advocate self-sustained development. A rigid system of supervision can be set up to allow the exploitation of lumber, minerals, fishing, and hunting in a way that is not predatory.

[Junior] Do you believe that the security of the Amazon is Brazil's biggest problem?

[Sotero Vaz] Corruption is our biggest problem. We see corruption all the time. It seems to be a cancer—a wound. Corruption today is reaching such a point that it can be compared to betrayal. Betrayal of the Brazilian people who pay taxes and who suffer in line at the bank to collect their paltry pensions. We must adopt legal and police measures to try to stop it. President Collor responds to all complaints and orders investigations, but no one sees the corrupt going to jail. I am not foolish enough to deny that there was corruption in the military governments. But what we are seeing today makes us very indignant.

[Junior] Aren't you also indignant over the Army's attempt to buy overpriced uniforms?

[Sotero Vaz] No crime was involved in accepting those prices. It may be that there is corruption in the Army, but there was nothing irregular about the case you mention. Anyone who deals with purchasing knows that. The firms submitted their bids without knowing how much they would receive for the service, so they built in an allowance for inflation. I feel that the complaint was an attempt to harm the Army, and I don't understand the motive. Especially considering the source of the complaint.

[Junior] Are you referring to the newspaper O GLOBO?

[Sotero Vaz] The newspaper's insistence on proving that there were irregularities forcefully attracted my attention. Roberto Marinho (owner of the GLOBO organizations) was always very friendly toward the armed forces, mainly when he started building his empire. I consider it amusing that he and his newspaper are trying to pose as moralists when we know that the establishment of the Globo Network in partnership with the Time-Life system always followed strange paths and involved much influence peddling within the military governments.

[Junior] Are you a hard-liner—a diehard?

[Sotero Vaz] I am a liberal democrat.

[Junior] Is it true that you admire General Pinochet?

[Sotero Vaz] Everyone says that Pinochet is a dictator—and only that. They forget that he put Chile in an enviable position in economic terms. He eliminated inflation. I admire him as a military leader. This does not mean that Brazil needs a Pinochet. If former President Castello Branco's plan had been carried out, power would have been returned to civilians long ago and Brazil might be better today. The military should not have remained in power. Even so, I greatly admire Generals Medici and Figueiredo. Costa e Silva was the one who promoted corruption in the military governments, but I prefer not to go into details concerning the image of someone who is dead. As for Geisel, I have personal reasons for not admiring him. I can only say that I greatly admired General Sylvio Frota and that he was treated unjustly.

[Junior] Isn't it strange for a liberal democrat to admire Gen. Medici, the head of a government that backed torture?

[Sotero Vaz] Gen. Medici governed in a very difficult period. He had to combat subversion and terrorism. I myself was threatened with death several times, and my children had to be escorted by guards. It was a war.

[Junior] But it is a crime to torture prisoners even in wartime.

[Sotero Vaz] Maybe that was the only means of getting information quickly. Nowadays everybody goes to church and prays, but they forget the Inquisition that occurred during the Middle Ages. We know that that, too, was a phase of the church, and we don't decide to condemn it for eternity. It needs to be realized that it was a moment in time. We were in a period when we were striking back at a plot aimed at creating a syndical republic. Brazil has now attained a level of politicization that prevents events like those in 1964. The armed forces think differently now. There is no room for conspiracy or military mutinies. The country's future lies in the ballot box.

[Junior] Isn't it possible that the economic crisis might change the way the armed forces think?

[Sotero Vaz] I support the Collor administration, and I feel that it is doing what is best for Brazil. I would have only one observation to make. We cannot accept anti-inflationary formulas which place us in a subservient position. And I have noticed clear signs that we are accepting formulas imposed by this or that organization, such as the IMF—formulas that run counter to the will of the people. It does no good to contain inflation at the cost of hunger and unemployment, because at some point, somebody is going to throw the first rock, and then it will be too late.

[Junior] Too late for what?

[Sotero Vaz] The administration's economic policy is causing inflation to fall, but at the same time, it is causing tough times and unemployment. We are close to the limit, and it is very probable that we will reach a situation of rebellion. We may be heading toward the occurrence of disturbances. In Manaus, for example, there are already instances of supermarkets being looted.

[Junior] If mentalities have changed, isn't it time to rethink the role of the armed forces?

[Sotero Vaz] I find that funny. First of all, the armed forces receive an insignificant share of the General Budget of the Union. Second, it must not be forgotten that a sovereign country cannot exist without an Army. An episode like the one that occurred on the banks of the Traira River is instructive. Armed Venezuelan prospectors were invading our territory, and they even killed Brazilian soldiers. Who could we have turned to in that situation except the military? We went there and taught those prospectors a lesson, and they have not dared enter Brazilian territory since. Besides its Army, Brazil should also have its atomic bomb.

## Venezuela

### Defense Minister Ochoa Holds News Conference

*PA0502232492 Madrid EFE in Spanish 2218 GMT 5 Feb 92*

[Excerpts] Caracas, 5 Feb (EFE)—[passage omitted] At a news conference on 5 February, Defense Minister General Fernando Ochoa Antich said, "I was informed by the military intelligence services on 4 February that certain seditious units were plotting a surprise attack to seize the international airport at Maiquetia, 30 km from Caracas, to capture Venezuelan President Carlos Andres Perez on his arrival from Davos, Switzerland."

"The attempt was foiled because of the deployment of units under my command to the airport. The president returned to his La Casona residence in Caracas without problems, and I headed for my office at the Defense Ministry building," Ochoa said.

He added that "The seditious units began their operations at 2300 on 3 February (0300 GMT 4 February). Minutes earlier, we were able to warn President Perez that they were going to attack La Casona and he managed to reach Miraflores Palace, headquarters of the presidency" of the republic.

The minister pointed out that the seditious units later simultaneously attacked the Defense Ministry, La Casona residence, and Miraflores Palace, without achieving their goal. They subsequently entered Miraflores Palace after President Perez had left to tape a television message.

"I managed to convince the rebellious officers posted at the Defense Ministry to free several generals they had captured as they tried to enter the building to meet with me. I later ordered the occupation of Miraflores Palace to evict the rebels," Ochoa added. [passage omitted]

The defense minister said the seditious movement was led by five lieutenant colonels, who acted in coordination throughout the country, to establish a nonpluralist, nationalist regime.

"Venezuela has 600 lieutenant colonels, many of whom are unit commanders. Only five of them participated in the foiled surprise attack against the constitutional government of President Carlos Andres Perez," Ochoa added. [passage omitted]

### Reports Deaths, Security Measures

*PA0502204492 Caracas Venezolana de Television Network in Spanish 1550 GMT 5 Feb 92*

[Report on news conference by Defense Minister General Fernando Ochoa Antich with unidentified reporters; place and date not given—recorded]

[Text] As has been the case with other sectors of society, Defense Minister General Fernando Ochoa Antich reiterated that it has been proved that the democratic system is the system Venezuelans desire. Ochoa said the regrettable death toll that resulted from the attempted coup will help to prevent a repeated incident in Venezuela:

[Ochoa] Fourteen persons have died, and 51 have been wounded.

[Reporter] How many of them were military personnel, and how many were civilians?

[Ochoa] They were all military personnel.

[Reporter] [Question indistinct]?

[Ochoa] Right now we have counted exactly 14 deaths and 51 injured people.

[Reporter] How many officers have been arrested?

[Ochoa] Until now, we have arrested 133 officers and 956 individuals from the rank and file.

[Reporter] [Question indistinct]?

[Ochoa] No general was involved. They were all lieutenant colonels of the highest rank.

[Reporter] [Question indistinct]?

[Ochoa] We really have not wanted to make that distinction. For the Armed Forces and for the people of Venezuela, all their dead belong to them; they do not belong to any side.

[Reporter] [Question indistinct]?

[Ochoa] Guarantees have been suspended, but we will not establish a curfew.

[Reporter] [Question indistinct]?

[Ochoa] The president has said this situation will last a few days. He has simply asked Congress....[pauses] The national government has suspended all guarantees with the approval of the Congress in order to establish-...[pauses] to take some measures to reestablish peace for all citizens.

### Denies Coup Leader's Suicide

*PA0602014892 Caracas Venezolana de Television Network in Spanish 0000 GMT 6 Feb 92*

[Report by Rebeca Hung Diaz from Miraflores Palace]

[Text] Defense Minister Division General Fernando Ochoa Antich has denied rumors concerning the suicide of the leader of the foiled coup attempt:

[Begin Ochoa recording] I categorically deny that news. I heard that from a young lady during the funeral ceremony we attended along with the president. I called the military intelligence directorate, and General Pineda, director of military intelligence, told me that he was talking to Commander Chavez at that very moment. [end recording]

The defense minister insisted that the personal safety of the coup perpetrators is fully guaranteed as they await trial on charges of military rebellion. So far, 133 officers from garrisons in Maracaibo, Maracay, Valencia, and Caracas are under arrest for their involvement in the coup attempt. Some 967 soldiers are also under arrest, although Defense Minister Ochoa said their punishment will hinge on the result of the investigations. It has been determined that many noncommissioned officers were deceived into believing they were going to participate in a military exercise but were eventually detoured to Miraflores Palace and La Casona presidential residence.

The defense minister also explained why the head of state was brought to Miraflores Palace while the situation there was still dangerous. He replied that the palace is the center of power, and this is why the coup supporters tried to occupy it. Ochoa added that when it was evident that they sought to assassinate the president, he was immediately taken to a television station to show the country that its leader was alive and exercising full power:

[Begin Ochoa recording] The total rejection of the coup by all national sectors, and also worldwide rejection, indicates that a minority group—one which holds the republic's weapons and violates its loyalty oath to the republic—cannot divert the path of a country such as Venezuela.

The total rejection of the coup attempt by all heads of state and the entire international community shows that a dictatorship of this sort could hardly have consolidated itself in Venezuela, even if the coup attempt had been successful, because in Venezuela the democratic principle is firmly embedded in our people's spirit. [end recording]

## President Eulogizes Honor Guard Casualties

*PA0502221492*

[Editorial Report] Caracas Venezolana de Television Network in Spanish at 1630 GMT on 5 February begins a live relay of a ceremony held at the Miraflores Presidential Palace in Caracas, in honor of the members of the Presidential Honor Guard who died in the recent coup attempt against the Venezuelan Government.

The opening wide shot shows several coffins, with one soldier standing on either side of them. This is followed by a wide shot of a group of civilians and military officers standing at a distance in front of the coffins. The camera zooms in to provide a close-up shot of Venezuelan President Carlos Andres Perez standing in the front row of the group.

Following a brief speech by Army Lieutenant Arevalo Vega on behalf of the Armed Forces, Venezuelan President Carlos Andres Perez begins speaking. He refers to the guards who died without knowing why they were being attacked by fellow Venezuelan soldiers and urges the Venezuelan people to learn the lesson that there is no justification for attacking the government in a country where anyone can become president.

After noting that the coup attempt in Venezuela is big news throughout the world, which is "in shock" because of it, President Perez asks the Venezuelan people to learn a lesson of coexistence and dignity. He explains that those at the ceremony are there to pay honor not only to those who died defending a just cause but also to those whose bodies were not there and who did not die defending a just cause but were following orders. He urges Venezuela's soldiers never again to wield weapons against one another and to respect the law.

President Perez tells the Honor Guard at the ceremony that he never abandoned his responsibilities and faced danger at their side: "I never yielded or abandoned my obligations. Together we faced the danger. The Miraflores walls show where the bullets hit the president's office. Those walls show the impact of the bullets on the windows of the room where the president rests."

President Perez, who remained standing throughout the ceremony, concluded his 23-minute speech by saying: "Let us ask our fellow countrymen not to forget those who have died, to see them as examples, and to learn the lesson they have taught us. Let us never again use the weapons of the republic for anything other than to defend the republic. Let us never again enroll young Venezuelans into the Armed Forces to then invite them to kill each other. This is the lesson we have learned today. This is our commitment, young members of the Honor Guard and officers of the Armed Forces. This is a commitment we must make with all the Venezuelans. As your chief of state and representative of the nation, I will say with this overwhelming pain I feel, that today we can feel proud and satisfied that democracy won." The speech ends at 1558 GMT.

The television relay from the Miraflores Presidential palace ends also at 1658 GMT, immediately after President Perez concludes his speech, and the television station begins broadcasting from the studio. However, at 1703, the live relay from the Miraflores Presidential Palace is reinitiated with an interview in progress with President Perez by many journalists. President Perez is standing and is surrounded by journalists and other people.

President Perez explains: "We are gathering information as to who and how many could have died in this attack. We do not know this yet." President Perez responds to a question on the support he has received by saying: "I have already said I feel both proud and ashamed because all the presidents of the world, even in remote nations, have expressed their support for the people of Venezuela. They made this support known to me by telephone and by telegram. President Gaviria [of Colombia] made the first telephone call. When the tanks were attacking the presidential office, I went to the telephone to make a call and, at that moment, he called me. He asked me: President, what is happening. I did not answer. I remained silent so that he could hear the cannon fire and the firing of powerful weapons on Miraflores. Then, I told him: What you are hearing is what is happening."

President Perez answers another question by noting: "Venezuela is a peaceful country. It has a democratic government. We will be severe toward those who have committed this aggression against the fatherland. We will be severe on those who have stained the honor of the Armed Forces. We will be fair also. We will not commit any kind of injustice." The news conference ends at 1705 GMT.

### Organizations, Leaders Condemn Foiled Coup

*PA0502201192*

[Editorial Report] Following are press agency reports on reaction by international and regional organizations and leaders on the 4 February coup attempt in Venezuela. Source information is in parentheses following each item.

UN Secretary General Butrus Butrus Ghali has said in New York he is "deeply concerned" about the events and "pleased" that the coup failed and that "the solid defender of democracy" has been able to recover control. (Paris AFP in Spanish 2227 GMT 4 Feb 92)

The 34 OAS members have unanimously approved a four-point resolution "strongly condemning the armed rebellion against the democratic government of President Carlos Andres Perez and the criminal attempt against the life of the president." OAS Secretary General Joao Baena Soares has said the attempted coup is "an attack against the democratic stability of the region." (Paris AFP in Spanish 2252 GMT 4 Feb 92)

Salvadoran President Alfredo Cristiani has issued an official communique voicing "full solidarity and firm support" for the Venezuelan Government and President Perez and calling for "the weight of justice to fall on the responsible parties for the sake of Venezuelan democracy." (Paris AFP in Spanish 2209 GMT 4 Feb 92)

Commander Jorge Shafik Handal, representing the Farabundo Marti National Liberation Front, has said the foiled coup "is an expression of the militarism against which the democracies in the hemisphere are fighting." (Hamburg DPA in Spanish 0047 GMT 5 Feb 92)

The Honduran Government has stated its willingness to "support any action of solidarity" with Perez, whom the government described as "a hemispheric leader." (Paris AFP in Spanish 2101 GMT 4 Feb 92)

The Nicaraguan Sandinist National Liberation Front directorate has condemned the coup and advocated "eliminating forever such militarist practices." (Panama City ACAN in Spanish 2113 GMT 4 Feb)

When Peruvian President Alberto Fujimori made a brief stopover in Caracas enroute to London and met with Perez, he condemned the coup and stressed "such actions have no place in Latin America." (Hamburg DPA in Spanish 2113 GMT 4 Feb 92)

Dominican President Joaquin Balaguer has sent a message voicing "solidarity and support" for Perez and rejecting the attempts "to impose illegality and despotism." (Paris AFP in Spanish 2233 GMT 4 Feb 92)

Jamaican Prime Minister Michael Manley has issued an official communique "regretting the economic difficulties affecting the region," adding that "democracy and hope prevail in Latin America, while we all try to solve the economic and social problems that have caused the foreign debt of the eighties and the world recession." (Paris AFP in Spanish 2232 GMT 4 Feb)

Members of the Caribbean Community condemned the coup, while diplomatic sources told AFP they hope the foiled military coup will not affect the presidents' meeting of the Amazon Pact countries slated for 10 February in Manoas, Brazil that Perez is expected to attend. (Paris AFP in Spanish 2228 GMT 4 Feb)

The Permanent Conference of Latin American Political Parties (COPPPAL) and the Inter-American Regional Organization of Workers (ORIT) both condemned the coup. COPPPAL President Luis Donaldo Colosio said the coup showed there are still some sectors "that state the most corrupt militarism must be eliminated from Latin America through democratic struggles." In concluding, the report adds ORIT pointed out "it is possible through dialogues and negotiations within the framework of democracy for the government, workers, and entrepreneurs to reach concerted agreements." (Madrid EFE in Spanish 2344 GMT 4 Feb 92)

### Writer Views Causes, Response to Coup Attempt

*PA0602012192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 5 Feb 92*

[Telephone interview with Venezuelan writer Dr. Arturo Uslar Pietri by unidentified reporter; place not given—live]

[Text] [Reporter] Greetings, Dr. Uslar Pietri.

[Uslar] It is my pleasure.

[Reporter] We would like your assessment of the 4 February failed coup attempt in your country? What could have been the underlying causes that may have triggered the coup?

[Uslar] I believe it is a serious mistake to think that what has transpired in Venezuela is a military problem. We have had a regrettable, painful, and sad episode—an uprising that caused death and damage and that is now under control and happily over. It would be a mistake to think that the problem has been one of a military uprising. The uprising, which happily failed, has taken place within a framework—and this is where we need to look for the conditions that caused it, because these conditions remain unchanged. The general situation in the country is very bad. The general impression of the people and the media is that the government and political parties are not aware of the real issues.

The economic situation is bad, collective poverty has increased enormously, public spending goes to pay the debt and the maintenance of some gigantic unproductive enterprises that the government founded and that eat away half or three-fourths of the public resources. Nothing effective has been done to fight corruption. A lot of corruption is tolerated in Venezuela. Everyday a new scandal emerges; never has one of these scandals ended with anyone important being convicted, sentenced, or imprisoned. The impression people have is that there is a comradeship that covers up everything. For a long time, there has been a clamor to clean up the

judicial branch quickly; to have an independent and respectable judicial branch—something that we do not have because the judicial branch is deeply involved in politics.

[Reporter] Dr. Uslar, why all this discontent, corruption, and skepticism in the judicial branch? Did a military sector—the paratroopers—capitalize on this discontent, and not the political sector and Venezuela's leadership?

[Uslar] I have always said that one of the bad things about the Venezuelan democratic system is that there is no opposition or alternative. Many years ago we founded something called an Institutional Pact—you had something similar in Colombia—whereby a sort of agreement is reached between the ruling and opposition parties to keep a sort of gentlemen's agreement to maintain the system. The result has been that both sides have ended up being partners; in other words, ruling and opposition parties have practically the same interests.

When an Englishman votes for the Labor Party, he knows he is voting for a party that is totally different from the Conservative Party—a party with other guidance, philosophy, and ways. When an American votes for the Democrats, he knows he is voting for a totally different party—a party with other motivations, character, purposes, and programs.

When a Venezuelan votes for Democratic Action or COPEI [Social Christian Party], he votes for [words indistict] because the remaining parties are completely intermixed, and the people do not have confidence that there is really an electoral alternative for this to truly change. Venezuelan democracy needs to be more sincere; it needs to clarify what means it has and what are its [words indistinct]. We need a different electoral system, not the system for illiterates that we have been dragging along for 30 years.

It would therefore be a serious mistake to believe that this has been a military episode brought about by some ambitious officers. Of course, we cannot deny there has been a regrettable uprising, but this is just one aspect of the problem; it is not the problem itself.

[Reporter] Dr. Uslar, do you believe that what has taken place in Venezuela will somehow affect the negotiation process between Colombia and Venezuela and that this process will once again be placed on hold until President Carlos Andres Perez is replaced?

[Uslar] I cannot make predictions. Do you want me to play the role of Nostradamus?

[Reporter] There is much skepticism here. Many people feel President Perez will be weakened by this crisis. His international image has fallen a bit. Venezuela's true image and reality have come to light, and it could be very bad politics for him to continue his talks with Colombia on such a thorny subject.

[Uslar] That is true. That is an aspect that must be taken into account. I want to tell you that most thinking Venezuelans look on with horror at the way this matter has been frivolously and awkwardly handled with brusque remarks that have not served any good and have only confused matters even further. Most Venezuelans believe this problem should have been handled differently, more serenely, more seriously, more objectively and not with improvised statements that have only served to create problems that should not even exist—distrust and new difficulties. I believe the coup attempt does not affect the basic problem. The problem between Colombia and Venezuela over marine and submarine areas in the Gulf of Venezuela is a problem that requires serious, serene, and objective studies. If this problem becomes... [45-second break in reception]

[Reporter] Go ahead, please.

[Uslar] As I was saying, unfortunately, the quarrel, as I call it, has lately fallen prey to untimely and contradictory statements in a very unfavorable environment. This is something that should be treated with much seriousness, much objectivity, much resolve and fairness by both sides, to allow both countries to reach an acceptable and satisfactory conclusion. These contradictory and brusque statements do not help at all. It is regrettable that this coup attempt has taken place, but I do not think this will cause irreparable damage. I would like to stress to you very emphatically that these difficulties could again trigger the sad Caldas episode—in which Colombia and Venezuela contracted huge debts. That would be very sad. Cheap patriots on either side could easily sell the idea that we need to purchase the world's trash such as the Berlin Wall, to impoverish even more our peoples. This would be an absurd idea.

[Reporter] There have been no popular demonstrations—truly popular—either to back the coupists, who except for officers apparently waved the usual flags, such as the IMF, beating of university students, Venezuela's impoverishment, or popular demonstrations in favor of democracy or President Perez. This was not seen in Venezuela. Why is this, or do you disagree?

[Uslar] There was simply no time. You must understand this was sudden. People mentioned the possibility of a coup. I was asked once if I believed there was a risk of a military coup in Venezuela, and I replied of course, why not, the risk is there.

[Reporter] You mentioned this on a television program last week?

[Uslar] The pious idea that this cannot happen here seems absurd to me.

[Reporter] Of what persuasion are these officers? Are they right-wing or leftist?

[Uslar] This is an enigma. They are mid-level officers, from lieutenant colonel on down. Things are now clarified; there were no officers involved with a rank higher than lieutenant colonel.

[Reporter] Can they be ideologically classified....

[Uslar. interrupting] No one knows, because they claim it is a Bolivar movement. You may ask what this means, and it is difficult to find out.

[Reporter] How did they manage to trick more than 1,100 soldiers?

[Uslar] I do not know the figures. Have you seen any official figures?

[Reporter] Yes, sir. Defense Minister Fernando Ochoa said about 850 soldiers were involved, and the rest were officers....

[Uslar, interrupting] The soldiers were never involved; they follow orders. Officers are the ones who could be involved.

[Reporter] The minister said 133 officers.

[Uslar] That is possible. But they are officers with the rank of lieutenant colonel down to lieutenants.

[Reporter] When you say the government and the parties speak a different language than the country, while an enormous increase in poverty is taking place due to this severe economic adjustment program, what do you mean exactly?

[Uslar] What I am trying to say is that the political, social, and economic problems in Venezuela have been stated. The impression one gets is that democracy has not been effective in offering solutions. This means the problems continue to exist. There are verbal gestures and cosmetic changes, but no one wants to go any deeper. The corruption problem is a very fundamental problem. There is not one example to show that a major participant in one of the very many cases of corruption, of which the country knows and from which it suffers, has been taken before the courts, given a serious trial, and been convicted. And that is serious.

[Reporter] What lies in the immediate future for Carlos Andres Perez?

[Uslar] Here again, I do not want to compete with Nostradamus. This seems to be a difficult moment for him, and he will have to make many corrections. He is a smart and capable politician, and he is very sensitive. He should realize, better than anyone, that the atmosphere has changed with this event.

[Reporter] So, we can expect a deep change in his policies?

[Uslar] I would like to expect that. I want this, and I hope it comes, because we need it. We need the country to go in the right direction, to establish an action plan for fundamental reforms to the judicial system, the electoral system, effective prosecution and punishment of corruption. These things must be done, but they must really and truly be done.

[Reporter] In any case, we are glad for you and the people of Venezuela, as a dramatic stage has been overcome. It has been a dramatic stage with great uncertainty. From this, we must point out that a true value was expressed on 4 February by all the leaders and the peoples—that is, the solidarity Latin America has demonstrated toward democracy. Thank you, and good day.